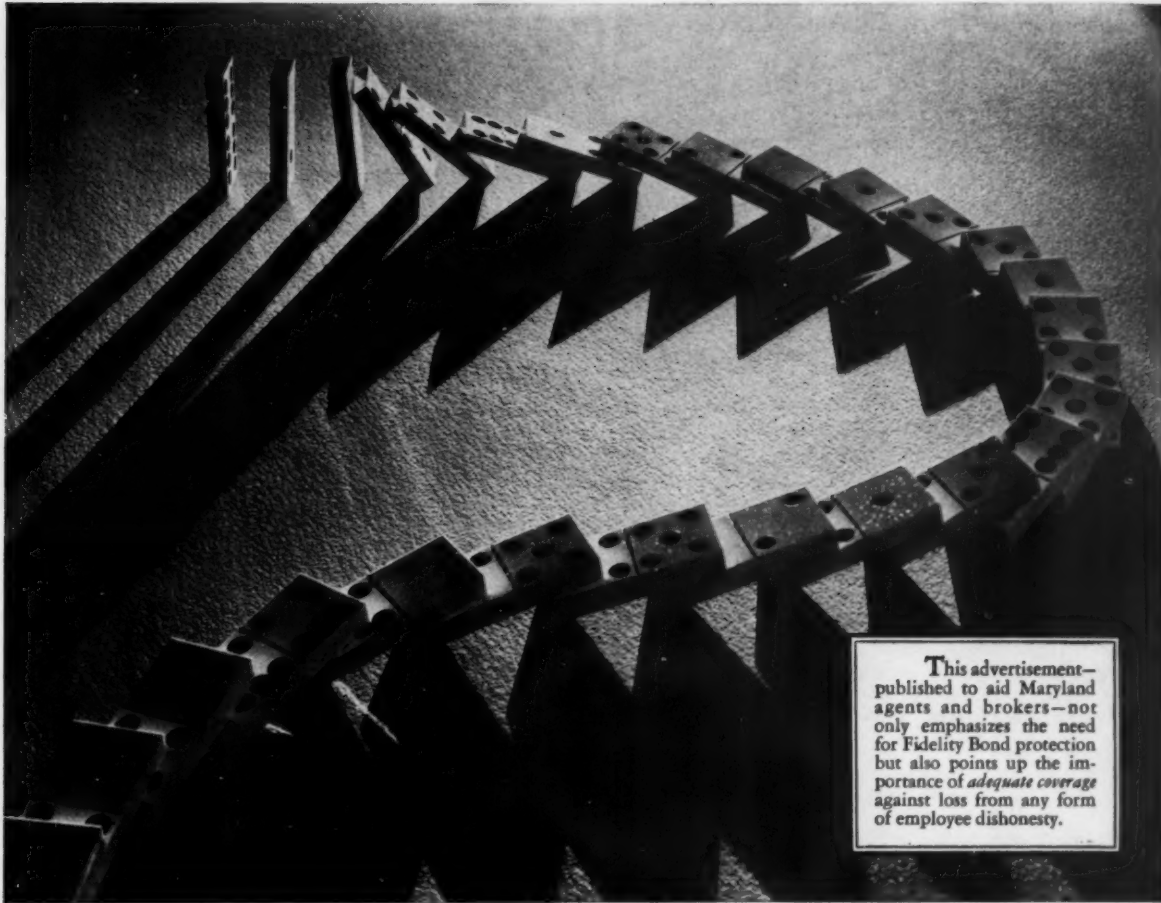


# The NATIONAL UNDERWRITER

"Unforeseen events . . . need not change and shape the course of man's affairs"



This advertisement—published to aid Maryland agents and brokers—not only emphasizes the need for Fidelity Bond protection but also points up the importance of adequate coverage against loss from any form of employee dishonesty.

## One slip did it

The spectacular embezzlement you read about in today's newspaper may have begun years ago. The first slip may have come when the employee only meant to "borrow" a small sum.

Now, today, an employee of yours may already have stolen "a little" from you—intending to pay it back. But, instead, he slips again and again, taking more and more.

Your one sure safeguard against loss from any form of employee dishonesty is a blanket Fidelity Bond (dishonesty insurance) covering every per-

son on your payroll . . . for you never know *who* may be dishonest. Embezzlements today sometimes run into big figures. Make sure your coverage is sufficient.

Whether your business is large or small, you'll find that *guaranteed honesty is the best policy*. And that means adequate Fidelity Bond protection.

The man to see for this protection is your Maryland agent. Remember: *Because your Maryland agent knows his business, it's good business for you to know him.*

## MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

*All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers*

THURSDAY, OCTOBER 20, 1949

# OIL IN ETHIOPIA PROTECTION IN THE U.S.A.



American geophysicists in Ethiopia  
...indications of oil in ages-old pockets  
beneath volcanic sands . . . action!

Roads are built, habitations erected,  
warehouses thrown up, modern  
machinery and valuable equipment  
from America are put in place for  
production. American engineers and  
technicians go to work.

More and more American com-  
panies are writing similar sagas of  
American enterprise today—but they  
couldn't do it without the benefit of  
sound insurance protection against

loss from fire, explosion, lightning,  
accident . . . and the protection of  
workmen's compensation, too.

The American Foreign Insurance  
Association has grown up with Amer-  
ican business overseas. It provides the  
answer to problems of protection in  
practically every corner of the earth.

You can handle the foreign insur-  
ance needs of firms in your commu-  
nity as easily as you handle their  
domestic risks. Simply give us the  
facts, and we'll give you full informa-  
tion and all necessary help.



## AMERICAN FOREIGN INSURANCE ASSOCIATION

80 MAIDEN LANE • NEW YORK 7, NEW YORK

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SAN FRANCISCO OFFICE: MILLS BUILDING, 220 MONTGOMERY STREET, SAN FRANCISCO 4, CALIFORNIA

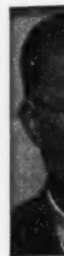
### COMPLETE INSURANCE COVERAGE IN FOREIGN LANDS

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April and May) by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill.

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## Panel Discussions Feature Meeting of Rhode Island Agents

**Robert S. Preston Elected  
President to Succeed  
John B. Butler**

By THOMAS J. GARTLAND

PROVIDENCE—A near-record attendance marked the annual meeting here of Rhode Island Assn. of Insurance Agents with 320 on hand. Three amendments to the constitution were adopted. A board of directors will now replace the executive committee. All dues will now be sent directly to the association instead of leaving the collection to regional directors. All members of the association will be required to become stockholders in the corporation.



C. I. Fisher

Robert S. Preston, Providence, former vice-president, was elected president to succeed John B. Butler, Pawtucket.

Donald S. Paige, Providence, is now vice-president and George C. Hughes, Providence, secretary-treasurer. Carlton I. Fisher, Providence, will remain State National Director. Regional vice-presidents are unchanged. They are A. Edgar Parent, Providence County; John J. Clarke, Kent County; W. W. Richardson, Bristol County; Gilbert A. Ramlose, Newport County, and Herbert W. Rathbun, Jr., Washington County.

### Yacht Insurance Panel

The first session consisted of two panel discussions followed by questions and answers. A yacht insurance panel included Donald S. Paige, Stephen S. Chamberlain, marine supervisor of Home, Boston; Charles B. Watson, assistant secretary of Boston, and Curtis D. Reeves, yacht loss supervisor of Providence Washington. Mr. Chamberlain, who emphasized the sales angle, pointed out that yacht insurance sales prospects can be secured from the federal yacht registry as well as from yacht clubs, dealers and boat yards. Most people who buy yachts have to borrow money to finance them. Banks, therefore, can furnish leads. Liability coverage should be bought in proportion to the assured's financial standing because of possible liability judgments. Explosions and racing disasters are the foremost yacht hazards, Mr. Chamberlain explained.

### Coverage Is Outlined

Mr. Watson recommended that agents sell yacht insurance because of the substantial premium and the broad policy coverage. The policy among other things covers loss from hurricane, which is an ever-present hazard on the sea-coasts. Theft is also covered if visible signs of entry into the yacht can be shown. Theft of the yacht's parts while they are on shore are also covered up to 20% of the hull value, Mr. Watson explained.

A medical payment endorsement can be attached to a yacht policy. It differs

## Oct. 10 Midwest Blow Worst Since Nov. 11, 1940

The high winds, mainly from the south and southwest that prevailed throughout Wisconsin, Minnesota and Iowa with gusts up to 95 and 100 miles an hour, Oct. 10 caused probably the greatest aggregate single storm loss in the middlewest since the great Armistice Day storm in 1940. The recognition of the seriousness of the Oct. 10 losses was delayed, because such a large area was involved and the losses were not superficially obvious. It was only as the loss reports began to pile in from various quarters that the adjusting organizations and the companies realized that they had a loss situation of first dimensions on their hands.

The estimates as to the total number of losses and the average per loss vary widely. At the outside, there may be as many as 100,000 losses at an average of \$100, making the total \$10 million. However, there are other guesses that the losses will run only about half that number and that the average per loss will not exceed \$50. Splitting the difference would give a very respectable total of \$5 million.

The adjusting organizations are marshaling their manpower and sending many extra men into the areas where there is the greatest concentration of loss, notably Eau Claire, Wis., the Twin Cities, in Minnesota and Duluth. Donald B. Sherwood, general adjuster of the National Board, is in the Twin Cities this week making a survey.

### Sufficient Manpower Available

There appear to be enough adjusters that can be rounded up to take care of the situation, but completion of the adjustments will be slow due to the fact that the losses are scattered so widely and there are a great many farm losses. It is difficult for an adjuster to

from an automobile M.P. endorsement in that on the yacht policy it excludes the named insured.

### Interesting Questions Propounded

Agents were reminded by Mr. Reeves that the yacht policy is not all-risk. What is more, a loss surveyor's presence after a loss in no way admits the company's liability. He is merely there to determine the cause of the loss.

"Would loss from machine-gun strafing from the air be covered?" one member asked. Mr. Watson replied that the policy covers objects falling on the yacht but no war risk. Coverage would then depend upon whether or not the strafing was maneuvering or actual warfare.

"Would the policy cover property damage caused while the yacht was being hauled to the assured's back yard for winter storage and repairs?" Protective indemnification under this policy covers the yacht while it is on land or in water. "On land," however, is construed to mean near its launching place.

### Are Hidden Defects Covered?

Another member asked Mr. Reeves if hidden defects were covered. He answered, not for the replacement of the defective part but for other parts of the yacht damaged because of the hidden defect.

When asked to define coastal waters, Mr. Reeves said it is not the three-mile limit nor from here to Bermuda. Until tested in court, it would seem safe to say the continental shelf marks the coastal water limit.

"If you bought a yacht now but didn't

(CONTINUED ON PAGE 31)

get to but more than two or three farms a day.

The number of losses in Minneapolis and St. Paul is now estimated at about 12,000 and there appear to be an equally large number in the vicinity of Eau Claire. Wisconsin and Minnesota were the hardest hit but there is a large number of losses throughout Iowa and even along the eastern part of Nebraska. There is quite a concentration of loss at Sioux Falls, S. D. There were a lot of losses in Chicago and northern Illinois where the wind velocity got up to more than 60 miles per hour. Most of the losses involve roofs, glass doors and signs, but there are a fair number of buildings that were wrecked, including farm barns.

There were undoubtedly many summer places throughout the resort country of Wisconsin and Minnesota involved, and since most of these were closed for the winter, the losses may not be discovered for months.

Western Adjustment has sent storm supervisors into the territory. At Eau Claire, George A. Allen, assistant manager at St. Louis, is in charge of operations.

The storm season in the middlewest has been decidedly atypical. There were heavy losses in the late winter and very early spring, but throughout the late spring and summer when tornadoes are expected, there was comparatively little loss from this source. And now comes this severe blow at a time of the year when such an occurrence is not expected.

There are many mutual companies with heavy commitments in the area, and the reinsurers are likely to be called on under windstorm catastrophe excess covers.

## Several Proposals Before Uniform Accounting Group

NEW YORK — The commissioners' special subcommittee on uniform accounting headed by James J. Higgins of New York department met here this week to consider action on several proposals.

The committee met with the industry accounting committee headed by Thomas F. Tarbell, Travelers, and then went into executive session. The agenda included a proposal on definition of payroll audit and inspection, made by the business; the recommendation of commissioners that definitions of losses include all expenditures made under the coverage provisions of policies; suggestions for classifying external claims expenses of ocean marine insurers, and the recommendation by R. M. Meyer of the California department that reinsurance commissions that include an allowance to the ceding company for adjustment and other expenses be broken down to show the elements in the commission allowance.

## Form Educational Unit

Smoke & Cinder Club of Pittsburgh has sponsored formation of an educational unit under chairmanship of Paul J. Mullen, Phoenix of London. The aim is to assist newcomers to improve their knowledge of insurance technicalities, and cooperation is anticipated with local boards. Elected to membership were Edward D. Beal, Camden; Daniel B. Pastorius, Fire Association, and Robert K. Woods, Excelsior.

## W. A. Seely Goes to Crum & Forster Top Post in West

**Gund's Successor Is  
Veteran of 30 Years with  
the Organization**

William A. Seely, assistant manager of Crum & Forster's western department at Freeport, Ill., has been appointed manager to succeed the late Fred M. Gund.

Mr. Seely went to the western department from Iowa, his first experience having been with the old Hawkeye & Des Moines. He became associated with the western department of Crum & Forster in 1918, later returning to Iowa as special agent, associated with State Agent W. H. Faulkner.

In 1924 he was transferred to Indiana



W. A. SEELY

as state agent, returned to the western department in 1929 as field superintendent, and in 1939 was appointed assistant manager. He thus was associated with Mr. Gund for some 30 years and is well grounded in the fundamentals and ideals of the founder of the department which has proven so successful over the years.

Mr. Seely is a man of exceptional vitality. He is a great mixer and is close to his organization and the agents and his underwriting judgment is highly respected. He is a vice-president of Western Underwriters Assn.

A son, Ted Seely, is a local agent at Freeport and another, W. A. Seely, Jr., is special agent in Missouri for Underwriters Service Assn., and a daughter, Elizabeth Seely, is an instructor in aviation at University of Illinois.

## Western Managers to See P. R. Demonstration

The quarterly meeting of Illinois Fire Underwriters Assn. is being held at the Morrison hotel, Chicago, Nov. 9. Western managers are being especially invited and there will be given a demonstration of a public relations program as it is presented to a non-insurance group. Robert Johnson of Aetna Fire, the president, will give a talk just in the way that he would give it before a non-insurance audience and then there will be shown a fire film.

## Panels on Farm Business, Fire Liability, Sales Big Drawing Cards at Dayton

DAYTON — Panel discussions covering farm business, fire legal liability, and sales had the members of Ohio Assn. of Insurance Agents hopping to keep up with a tight time schedule at the first day's session of the association's annual meeting here. The gatherings got underway while the registrants were still signing in and continued until 5 p.m., but each drew a large crowd that demonstrated interest and enthusiasm for an excellent series of comments and sales ideas.

A farm panel with Karl Dakin, Lebanon, presiding, opened the proceedings Monday morning. Mr. Dakin is chairman of the farm writing agents committee which was formed about two years ago to discuss possible underwriting improvements with the companies. A report on committee activities was delivered by J. Bryan Wollam, Cortland, who told in detail the work that has been started by the agents and Farm Underwriters Assn.

The company viewpoint of Ohio farm business was given by Rush Carter, assistant western manager of Aetna Fire. Mr. Carter pointed out that Ohio has a distinctly unenviable record on this class. The loss ratio overall is the worst in any Western Underwriters Assn. state over the last five years, and by lines the picture is dismal, the fire ratio being 47, tornado 126, extended coverage 73 for a combined ratio of 64. Even the 47% fire ratio is ten points worse than the average of the other W.U.A. states, and it was achieved during a period of high farm prosperity.

Rates on farm business in Ohio, he noted, are among the lowest in the territory. Dwelling rates are third from the bottom; barn fifth from the bottom, and personal property rates are the lowest in the 15 midwest states. Mr. Carter said he was not trying to build up a case for a rate increase, but simply attempting to show clearly what the companies are faced with.

The Ohio farm form is the best in the territory because of the blanket items on livestock and hay, feed and grains, he added. It may be behind on tractor and combine cover, but he predicted that item will be improved with the next printing. If the machinery item is broadened, the companies must get insurance to value.

Mr. Carter urged the agents to help the companies with the problem. He observed that Ohio is fourth in the nation in the number of high income farms and should be producing better experience.

### FIRE LIABILITY

The serious need for fire legal liability coverage and proper rating of that line is being aggravated by the companies' intensive use of subrogation, and it is no more than fair that companies be asked to provide adequate coverage for the public, William N. Robbins, Toledo, declared in opening the panel discussion on that subject. Dean Picton, Toledo, was moderator for this meeting.

Mr. Robbins emphasized that tenants are most effected by the fire liability problem. Building owners can protect themselves by purchasing high property damage limits, but the tenant's only recourse, he stated, is to take out a fire legal liability policy which in Ohio takes half the building rate. This is far too high a premium for the exposure involved, Mr. Robbins added, noting that the building owner can get the same protection under O. L. & T. for a fraction of the cost. He suggested that the agents association take steps to enlist the aid of local real estate boards in attempting to have the standard lease changed so as to limit liability of both landlord and tenant for losses caused by fire to such fires as result from wilful and wanton negligence.

Perhaps consideration should be given to asking the legislature to limit the liability of landlord and tenant from fire

to those caused by wilful and wanton negligence, he observed.

Allen C. Guy, regional manager of Western Adjustment at Columbus, then handled the discussion of what constitutes liability and observed that it could be imposed by reason of being created and imposed by law, created by contract, or created by the assumption of risk. A person can be assumed to an accepted liability by his acts and deeds, but such action does not need to be put in writing.

Mr. Guy also outlined the subrogation rights of the insurance companies and mentioned the broad rights of the companies in this regard.

### Three Ways to Cover Tenants.

Mr. Picton remarked that a fire legal liability discussion had been held locally in the state earlier this year and the agents had had more time to thresh over the subject and had come up with the conclusion that since the companies are pursuing subrogation so diligently the property owners must be provided with property damage liability in adequate limits.

There are three ways in which tenants can cover themselves, he said: They can agree first with the landlord that the lease will eliminate any right of recovery. If the insurer refuses to accept this condition, Mr. Robbins interjected, the agent must find a company that will.

Another solution is for the tenant to add his name to the policy as additional insured, possibly noting his interest through improvements and betterments. The third solution is specific fire liability cover, and this is unsatisfactory rate-wise.

The agents evinced great interest in the discussion. One member arose to deplore the "ambulance chasing" attitude of the fire companies.

### Hold Sales Conference

C. D. Rankin, Newark, presided at the sales conference that featured talks by Thomas O. Nuckles, state agent for Hanover, on business interruption, and William E. Shaw, Cincinnati manager of Fidelity & Deposit, on burglary insurance.

Mr. Nuckles, representing Ohio Fire Underwriters Assn., gave a talk that was designed by the field men for presentation to local buyer groups. He used a kitchen timer set for 20 minutes and completed his talk before the bell rang.

Using charts and a cardboard store front, Mr. Nuckles in non-technical language stressed the importance of gross sales in preserving a business. In the event of fire, even though the merchant is paid under his building and contents fire policy he will be unable to stay in business without drawing on his reserves or attempting to get a loan, the speaker said, emphasizing the part that business interruption insurance can play in maintaining gross sales income. At one point in his talk, Mr. Nuckles had an assistant touch a match to the store front, causing quite a stir in the audience.

### Money and Securities Broad Form

Mr. Shaw took up the broad form money and securities policy. He explained the salient parts of the contract and asserted that the introduction of the form may have accounted for as much as 40% of the \$40 million increase in burglary premiums since 1942.

Claims paid or unusual claim situations that would be covered by the broad form policy always make good sales material, Mr. Shaw said. If a man needs a money and securities policy, he certainly is a prospect for a fidelity bond, since if outsiders can take the money, the inside help surely is in a position to do so. It is important to have the fidelity and money policies in one company, he concluded, to avoid trouble on loss payment if a questionable claim arises that two companies might try to pass back and forth.

## Fire Rates Are Being Reduced in La. Nov. 1

Louisiana Rating & Fire Prevention Bureau is putting into effect rate reductions that are estimated to be the equivalent of 7% of total fire insurance premiums for the state or about \$1,185,000. The reductions are effective Nov. 1 and the new rates may be endorsed on policies written to take effect after Sept. 1.

A new dwelling rate schedule has been published with lower rates for frame dwellings in first, second, third and fourth class cities, and outside of fire protection. Farm dwelling rates are also reduced. Rates on brick dwellings and on dwellings in New Orleans remain unchanged.

The principal classes that enjoy reductions are mercantile buildings and contents; general merchandise warehouses; chemical works, churches, service stations, garages and airplane hangars, radio stations, newspaper and printing plants, brick works, salt works, non-manufacturing sprinklered buildings and contents and mining risks.

Sam G. Peters of Lodon & Lancashire has been elected president of the bureau; A. G. Reese, Royal-Liverpool, vice-president; W. S. Bizzell, secretary and manager. New members of the board are C. C. Dupree, Hartford Fire, the retiring president; Sidney St. John Eshelman, Firemen's; A. J. Bowles, Aetna Fire; Horace Herrin, New York Underwriters and Henry Seawell, Travelers.

## Two Patrol Members Die in \$200,000 N. Y. C. Fire

NEW YORK—Two members of the New York fire patrol were killed when all five floors of the Light Manufacturing building at 21 West 17th street, Manhattan, collapsed during a fire. The two men, F. C. Lehmann and Daniel Shea, were spreading tarpaulins over merchandise and equipment. Other firemen escaped although one was injured in the collapse, which occurred suddenly and without much warning. The fire loss was estimated at close to \$200,000, \$150,000 in contents and \$50,000 to building. The insurance loss has not yet been estimated. There were several business industrial occupancies.

## New Officers of Advertising Group



NEW OFFICERS OF INSURANCE ADVERTISING CONFERENCE, ELECTED AT THE ANNUAL MEETING AT OLD POINT COMFORT, VA.: Al E. Duncan, Jr., Fire Association, vice-president; Ralph C. Blatchford, Employers' group, secretary-treasurer, and Dwight P. Ely, Ohio Farmers, president.

## Seek to Help Agent Sell Himself Through Company Advertising

Dwight P. Ely  
New Head of Insurance  
Advertising Conference

By E. H. FREDRIKSON

OLD POINT COMFORT, VA.—The theme of the annual meeting here of Insurance Advertising Conference was largely what the companies can do to help the local agent sell himself through company advertising; also how to make better use of space in the insurance press.

President J. A. Gernhardt, National Surety, welcomed the members and announced E. R. Hurd, Jr., American Associated, as chairman of the day.

The round table discussion was led by Clark Smitheman of North America, who pictured the agent as not only a

### NEW OFFICERS ELECTED

President—Dwight P. Ely, Ohio Farmers.

Vice-president—A. E. Duncan, Jr., Fire Association.

Secretary-treasurer—Ralph C. Blatchford, Employers' Liability.

Executive committee—John N. Cosgrove, American; James F. White, Maryland Casualty; C. J. Fitzpatrick, U. S. F. & G.; ex-officio, J. A. Gernhardt, National Surety, and Mrs. M. Ellson, Fire Association.

service man for the insured but also as the personal representative of the company and as such entitled to all the help his companies can give him.

T. W. Budlong of National Board followed on how best use could be made of space in the insurance press. Ambrose Hussey of "American Agency Bulletin" pinch hit for W. W. Darrow, Hartford Fire, whose paper centered

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## Suggests Lesser Rewards For Recovered Property

NEW YORK—The program of investigation of inland marine losses which the arson division of the National Board is working out in conjunction with the Inland Marine Underwriters Assn. was described to the Inland Marine Claims Assn. at a dinner meeting here by Bruce Bielaski of the National Board. Mr. Bielaski particularly emphasized what he regards as the need for revised thinking about rewards for the recovery of stolen property that involves inland marine coverage. Leslie A. Lloyd, Pacific Fire, president, introduced Mr. Bielaski.

Adjusters did not uniformly favor Mr. Bielaski's idea that rewards be reduced.

### 10% Matter of Custom

There has grown up over the country a general conviction that a reward of 10% should be paid by insurers, Mr. Bielaski said. This has even become imbedded in instructions to adjusters. He cannot see how 10% is justified in all cases. There are even differing interpretations of 10%. In San Francisco he found an adjuster who offers 10% but construes this to mean 10% on the first \$1,000 of property recovered and 5% on the remainder. In Los Angeles an adjuster offers a liberal 10% across the board. Mr. Bielaski thinks 10% is too much in some cases and that it can be too little in others.

He cited the case of a woman who dropped her pocketbook containing \$40,000 of jewels and money out of her car. A truck driver picked it up. It is understood the broker suggested the payment of a 10% reward, \$4,000. The truck driver made \$56 a week and was quite happy when the insurer paid him \$500. It enabled him to complete payments he had on a car, plus something over.

### Digest of "Finder" Laws

Mr. Bielaski's office has drawn up a digest of the laws in the various states that relate to the obligations of a finder of property. In 19 states, the finder who does not make a real effort to find the loser is guilty of a felony. In another 19 states, 10 of which are not included in the first list, the finder must report the finding of property or suffer penalties. Insurers ought to play a little less the role of Santa Claus in those states, he said. Rewards are all right, they encourage honesty, but the companies pay out too much money on them, he declared.

If the Inland Marine Underwriters Assn. goes ahead with the ideas that Mr. Bielaski's office has developed during the past year, he will make available to adjusters and company loss men, etc., this kind of information. If the loss people are familiar with the laws in the various states, they can save money and still get as good results, he believes. If they talk with the people who are entitled to a reward, they can get a pleased customer with a lot less than 10%. One or two states provide what specific reward shall be paid.

### Suggests Model Statute

One suggestion made by Mr. Bielaski is that a committee be named by the inland marine people to draft a statute defining the duties of those finding property, a model law that would embrace the best points of those now on the books. He thinks there could also be more articles in national magazines on "finders not keepers." In New York and some other states an adjuster could be guilty of a felony for paying a reward except in accordance with regulations, and they are not always paid in that way.

He took up the subject of rewards to police officers and is suggesting to the I.M.U.A. that they support courses in police ethics, perhaps similar to the arson short courses at Purdue. He contrasted police attitude toward rewards

in several cities across the country. There is a great variety of approaches.

The interest of the insurance fraternity should be in paying these rewards in accordance with the express desires and regulations of police departments, he thinks. He is well aware that an insurer which does not pay a reward for recovery of property or for services is labelled "lousy".

### Committee Might Handle Rewards

To overcome this, he suggested the I.M.U.A. create a committee on rewards and that companies do not pay them at all. Adjusters could call attention of good police work to their companies and this information would be passed along to the committee. The committee would then pay all rewards, and in this way cure what he regards as a great evil. There would be no wide divergence of practice between companies as exists today.

If the business can get the reward matter cleaned up and out in the open, he thinks everyone will get better results, including adjusters and insurers.

His office is interested in getting reports of serious losses and he suggested that adjusters notify the nearest National Board agent, who will phone headquarters to secure authorization to go on the job. The office is interested in important cases involving the loss of property valued at \$10,000 or more, particularly jewelry, fur and hijack cases. It is also especially interested in a job that seems typical of other robberies of this kind.

### \$1 Million from Miami

In the Miami Beach area thefts of the above type last season amounted to \$1 million, none of which was solved. His office is opening a special office there, and will pool information from various sources. The police officer who handles this type of case in other cities is being notified and given the phone and address of the office in Miami. The difficulty is that the thieves get the stuff out of the state, usually taking it to New York or Chicago, so that local officers do not have a chance to solve the case, yet the FBI must know that it has crossed a state line and that the value is \$5,000 or more before it can assume jurisdiction. This frequently stymies the law enforcement authorities.

Adjusters pointed out that if they are attempting to settle a \$40,000 loss and get a chance to recover the property, they are apt, along with the company, to offer a pretty substantial reward. One difficulty is that the small rewards get newspaper publicity, and this the adjusters feel discourages finders from turning in the property.

Mr. Bielaski stuck to his guns, however, and cited several instances in which the amount of service involved in the recovery of the property did not by any means warrant a 10% payment. A woman went shopping and left a radio repair man in her apartment. When she returned he was gone along with a valuable ring. She called the precinct station and gave the police the name and address of the repair man. The desk sergeant sent out a man and found the repair man wearing the ring. He pleaded guilty. The desk man now wants 5% for himself and 5% for the man who picked up the thief. This seems to Mr. Bielaski to be excessive and he thinks it symptomatic of the situation that needs correcting.

### Daniel M. Walsh, Jr., Named

Daniel M. Walsh, Jr., has been elected president of the Springfield, Mass., Board of Fire & Casualty Underwriters. Bradford W. Leete is vice-president; Charles J. McMorro, treasurer; Paul F. Beaver, secretary; S. B. Goodell, assistant secretary.

## Need for Changes in Accounting Structure Told

Companies that have been operating placidly for many years will, if they have not already done so, soon need to make many changes in accounting structure, Luther L. Hansel of Royal-Liverpool told Insurance Accountants Assn. at its conference at Boston.

As reasons for this, he cited multiple writing powers that put fire insurers in casualty and vice versa; adoption of installment payment of term business; competition, and technical advances in tabulating equipment. Also, he listed what he senses to be a gradual lowering of the standard of clerical help available to insurers, which must be offset by better systems.

Comparing fire and casualty company practices in agency accounting, he suggested that primary responsibility for collections rests with home or branch office accounting departments, though the status of outstanding balances should be continuously before field supervisory officials for final decision. However, field men, producing and servicing business, are not usually equipped to act as collectors. They should be used on collections only in special cases where spot attention is required, he believes.

Installment payment of term, which probably will spread countrywide from its present confinement to a few territories, will, he believes, cause a swing from use of premium register to the unit card system. He also sees a co-ordination of casualty and fire practices in agency accounts processing, as the two lines more and more are written by the same companies.

## Insurance Interests Block Strike Thaw, Lewis Says

WASHINGTON—John L. Lewis, UMW chief, has charged that great insurance interests are cooperating with steel, financial and other interests to thwart negotiation of settlements in the steel and coal labor disputes, particularly the former. He said "the representatives of great major insurance companies" have large investments in industrial enterprises and have representations on their boards.

The "combination of financial leaders not necessarily great in number, but tremendously influential in the magnitude of their financial representation," Lewis said, "includes the insurance companies." This "combination," according to Lewis, also includes all steel companies, major automobile companies except Ford, commercial coal companies identified with the steel industry, "the duPont family," "the Mellon empire and their banks."

Taken together, Lewis said, they constitute "a tremendous group of immense power who have apparently decided to make this struggle in steel final and significant in American economic history." Steel interests control the coal representatives negotiating with UMW for a labor contract, he charged.

## New Washington C.P.C.U. Course Is Still Open

A two-semester course designed to prepare students for part one of the C.P.C.U. program, has been inaugurated at George Washington university in Washington, D. C. Alfred E. Lampe, assistant Washington manager of American International Underwriters, has been named professorial lecturer to teach the course. The class is held on Mondays at 8 p.m. and registration is still open, though the course has begun. Richard Marshall, Washington manager for Home Indemnity, served as liaison in arranging the program with the university.

## Record Turnout at S. C. Rally

### Joel Morse of Abbeville Is New President of Agents Organization

The convention of South Carolina Assn. of Insurance Agents at Charleston brought forth the largest attendance ever recorded at any convention of this association.

The pre-convention activities included a meeting of the officers and executive committee.

The opening session featured the presentation of Lt. George Hurteau, director of driver education of the South Carolina state highway patrol. He gave an interesting analysis of accident frequency and costs of accidents for the past 12 months. He presented an outline of the high school driver educational program which is presently being installed in South Carolina by the highway patrol with the assistance of Assn. of Casualty & Surety Companies and several local organizations.

The afternoon meeting was devoted to the executive session. The reports showed a year of accomplishment and outlined the tasks that are before the membership for the coming year. One of the matters discussed was the pending bill in the legislature providing for the establishment of a state fund for workmen's compensation.

### Joel Morse New President

Joel Morse of Abbeville was elected president and Cecil Etheredge of Aiken was elected vice-president. Claude Vaughan of Darlington was reelected secretary and Thomas B. Boyle of Columbia national state director. He is the outgoing president.

Those elected to the executive committee were David G. Ellison, Jr., Columbia; H. P. Midgley, Bennettsville; Bernard Olasov, Charleston; K. S. Covington, Spartanburg; Hayne Glover of Greenville; L. D. MacGrath of Conway; Tom Clarkson of Gaffney and Rut Osborne, Jr., of Orangeburg.

The next morning, Dana Lowd of Northampton, Mass., a member of the executive committee of N.A.I.A., delivered a forceful address.

Mr. Lowd reached the convention hall after the meeting had started. Just as he entered the rear of the room one of the "unreconstructed" members was delivering an oration on the desirability of organizing local companies and keeping our money at home rather than sending it to the "damn Yankees in the northeast." Mr. Lowd was introduced to the convention only a few moments later and captivated his listeners by stating that as he entered the convention room "he heard himself being paged."

### Socialistic Trend

Warren White, public relations director of Seaboard Airline Railroad, gave a talk on the socialistic trend of the federal government and the responsibility all have in helping stop this continuous drift toward "statism and socialism." He emphasized the fact that freedom is both a luxury and a responsibility. He illustrated this with the fact that the Pilgrims passed a desperate first winter after landing on our shores and although one-half of them had died from disease and exposure during the winter when the Mayflower was prepared to return to England the new freedom they enjoyed was so precious that not one of the immigrants asked to be taken back to England.

Capt. Fritz Schwaemmle, assistant to the general sales manager of Delta Airlines and a former crack airlines pilot, gave an illustrated description of the new instrument landing procedure. With the use of a large diagram depicting the airfield and the various instruments and radio ranges, Capt. Schwaemmle was

(CONTINUED ON PAGE 15)

## PROFESSOR ADDRESSES MUTUAL MEN

## Prevention Work on Wind Losses Needed to Stop Dangerous Trend

Systematic prevention work offers the possibility of greatly reducing wind-storm losses on farms in as successful a fashion as farm fire losses have been curbed, according to Henry Giese, professor of agricultural engineering at Iowa State College. Speaking before the general farm conference at the meeting of National Assn. of Mutual Insurance Companies recently, Professor Giese pointed out that farm fires in Iowa have been reduced 33% from the losses of 15 years ago and conservatively the savings have been upwards of 10 times the amount expended for prevention. Like results could be expected from a similar attack on the windstorm problem.

Roofing is rapidly becoming a major problem to the windstorm companies, Mr. Giese declared. When practically all farm roofs were covered with wood shingles, damage from this source was negligible, but during recent years shortages and high prices of wood shingles have put the emphasis on fire resistant asphalt shingles and these have been used extensively as replacements.

## Asphalt Shingles Poor Risk

Asphalt is comparatively soft and thin and will bend easily and hence is easily lifted by wind pressures. The material will give way to fatigue after a few bendings. In the years 1930-33, roofing claims accounted for 13.9% of the number and 5.5% of the total windstorm damage. This loss has increased so that the figures for 1946-48 show that roofing claims number 32.6% of the losses and 19.8% of the damage. If asphalt shingles are used primarily for replacement and performance is not improved, roofing losses will tend to take a major role in the windstorm claim situation.

While Mr. Giese's statistics were largely confined to Iowa, he mentioned that spot checks in surrounding states indicate a similar situation. He noted that a tremendous number of wood shingles in Iowa are in bad condition and must be replaced. Estimates on replacement during 1948 indicate that wood was used for only 19.3% of replacement and asphalt on 43.1%. The companies have need to be concerned over the replacement problem.

## 18 Times Wind Hazard

Asphalt shingles present a wind hazard 18.1 times as great as wood shingles and a hail hazard 8.0 times as great. He wondered if the performance of asphalt shingles will be improved, or what losses the windstorm companies are in for if the present trend continues? The implications are great enough, he said, that the companies can well afford to study them.

Wood shingles and steel roofing may be counted on to give approximately the same number of years of satisfactory performance. Asphalt shingles will serve about half as long and asphalt roll roofing somewhat less than the asphalt shingles. The companies might well ask themselves how much they are now paying for unnecessary roofing claims and what the results will be if something is not done to avoid future losses. What policy, he asked, should the companies adopt relative to roofing materials not rendering satisfactory service against wind, and for how long should the companies give windstorm protection to various roofing materials?

## Companies Not Sold on Need

The comparatively low cost of windstorm coverage and the small operating margin tend to discourage company executives to put enough effort into prevention to accomplish tangible results. Mr. Giese asserted that it is evident that much improvement in performance could be obtained if only the better grades of asphalt roofing were selected by the

farmers, but the question is whether the insurance company can afford first to become well informed as to standards and then to check to see that they have been met. Loss prevention on wind roofing claims would be hard to measure because of the inconsistency of windstorms. Fires, being largely man-made, run fairly uniform from year to year, but windstorms may occur only occasionally.

## Prevention Profitable Investment

However, prevention work would appear to be a profitable investment. Structural improvement is not so much a matter of dollars as of intelligent use of materials, and Mr. Giese noted that a flimsy building may be just as expensive as a structurally sound one. He emphasized that it is important to put the stress of prevention work in the proper place. For example, when rural fire losses had precedence, it appeared that the four most important causes were in order: Defective heating equipment, sparks on combustible roofs, spontaneous ignition of hay and straw, and lightning to barns. After years of consistent effort, the first three were materially reduced, while little was done with lightning because of shortage of materials. The result is that now lightning damage is the number one cause of farm fires and it is necessary to place the prevention emphasis in that direction.

## Bruce on N.A.I.C. Committee

William Bruce, chief examiner of the California department, has been named to the N.A.I.C. committee on uniform accounting to succeed Ray E. Meyers, who has resigned from the department to go with Beneficial Standard Life and Beneficial Fire & Casualty of Los Angeles as vice-president.

## Zone 1 Parley Friday

A meeting of the commissioners in zone 1 is to be held Friday in the New York City offices of the New York department. The meeting was called by Commissioner Allyn of Connecticut, chairman of the zone. The states involved are Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York and New Jersey.

## Top Mutual Agents at Chicago Meeting



At National Assn. of Mutual Insurance Agents' Chicago convention: Philip Baldwin, executive secretary, Washington, D.C.; W. M. Ritter, secretary, Fayetteville, Ark.; Corey G. Hunter, new president, Moravia, N. Y.; C. M. Boteler, past president, Washington, D. C.; Hugh H. Murray, outgoing president, Raleigh, N. C.; Joseph S. Baldwin, Jr., executive secretary New York association, Syracuse, and R. E. Hill, vice-president, Chattanooga, Tenn.

## National Board Revises Public Assembly Ordinance

The National Board has revised its model ordinance for safety in places of assembly to permit use of pyroxylin-coated decorations under certain circumstances. Extensive tests have been made by Underwriters Laboratories, to determine how much decorations may be used safely. One square foot of pyroxylin-coated fabric surface may be used to each 15 cubic feet of room volume (if the fabric contains as much as 1.4 ounces but less than 1.7 ounces of cellulose nitrate per square yard). If it contains 1.7 ounces or more of cellulose nitrate per square yard, less of the fabric may be used. Limits on the use of these fabrics were established following tests in which guinea pigs were placed in closed rooms and pyroxylin-coated fabrics in the room were exposed to fire.

The revised ordinance also provides a simple test for checking whether decorative material has been satisfactorily flame-proofed by holding a paper match in a horizontal position one-half inch under the material at a constant location for at least 15 seconds.

## Excess and Surplus Cover Unit Formed at Atlanta

American Excess Underwriters at 66 Fifth street, N. E., Atlanta has been organized to handle special hazards, excess and surplus covers in fire and allied lines. The management states complete binding authority and policy issuing offices are maintained at Atlanta, and business is developed through brokers and agents throughout the U. S. and Canada.

President of American Excess Underwriters is Fred W. Lagerquist, Jr. He is a new C.P.C.U. and is president of Southern Underwriters Agency, Inc., of Atlanta, which is insurance manager for Hartford Mutual, Home Mutual, Implement Dealers Mutual, Lititz Mutual and Southern Mutual Underwriters. Vice-president is Ben Jack Cagle of Dallas, who is president of Texas Lloyds. Marion S. Lagerquist is secretary-treasurer.

## Independent Adjusters Roster

National Assn. of Independent Adjusters has published its 1950 roster in booklet form. The booklet includes a list of officers and standing committee members and the statement of principles of the conference committee of American Bar Assn. on adjusters.

## Nebraska Agents Have Full Card for Next Week's Rally

The program for the convention of Nebraska Assn. of Insurance Agents has been announced by President H. R. Walt of Lincoln. The meeting will be held in conjunction with a fire and



H. R. Walt



H. C. Allgood

casualty insurance institute, conducted jointly with University of Omaha and Nebraska Fire Underwriters Assn. Dates are Oct. 24-26.

Activities Oct. 24 will consist of committee meetings and executive sessions, followed by a buffet smoker.

On Oct. 25, speakers for the morning session will be Robert Rydman, insurance department attorney, on "Newly-Enacted Insurance Laws," and Richard J. Layton, vice-president of Rough Notes Co. who will discuss "Streamlining Office Procedure." Luncheon speaker will be Walker O. Garrott, Denver, whose subject is, "The C.P.C.U. and What It Means to Me."

In the afternoon Charles Martell, Fireman's Fund marine manager at Chicago, will talk on "Inland Marine Insurance," and following will be the business session of the convention. National American Fire of Omaha will be host at a fellowship hour. The banquet speaker will be John Ashmead, assistant secretary of Phoenix of Connecticut.

Speakers the morning of Oct. 26 will be Don B. Sherwood, general adjuster of National Board, who will discuss the National Board and its catastrophe plans, and Dr. R. W. Fouts, Omaha, past vice-president of American Medical Assn., on "Compulsory Health Insurance." Luncheon speaker will be Herman C. Wolff, Indianapolis, member of the N.A.I.A. executive committee, and afternoon's activities consist of a talk on "Casualty Trends" and "Fire Rating and Audit Bureau Activities," by Kenneth L. Hunt, Omaha, assistant publisher of Nebraska Inspection Bureau.

Richard C. Allgood, the executive secretary, has aided greatly in perfecting the arrangements.

## Clarification of Agents' SS Status Is Relief

WASHINGTON—Fire and casualty companies, as well as property agents' organizations, are well pleased with clarification recently obtained on the House floor, of Congress' intent with respect to the status of such agents under the new social security bill. That clarification was to the effect that such agents would not be classed as employees under the bill.

There had been some fear that the Treasury Department might possibly issue a regulation defining property agents as employees, but both companies and agents reportedly feel this would not happen now, if the bill becomes law.

## Reynolds Pittsburgh Speaker

Exchange Club of Philadelphia heard a talk by George A. Reynolds on "Pittsburgh's Expanded Building Program as an Aid to a Safer City." Mr. Reynolds was formerly Pennsylvania special agent for Millers National.

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# Legislation Big Topic Before Ohio Agents

**H. S. Bowen Elected President at Dayton Meeting to Succeed Gluck**

By JOHN C. BURRIDGE

DAYTON—Ohio Assn. of Insurance Agents this week conducted a two-day annual meeting here that set a new record for attendance and provided its members with a program that was top notch throughout a crowded schedule.



H. S. Bowen



C. H. Eichhorn

Legislation, results achieved and dangers ahead took the limelight. The association won a great victory this year with the passage of the bill placing definite restrictions on the licensing of auto dealers, and a good deal of back-slapping was in order. However, the work involved in pushing that bill and keeping a finger on all the other major legislative matters was a great drain on the agents. They feel that the companies have left them to do the job alone and at a time when cash sickness benefits and radical automobile proposals are threatening.

## Seek Practical Cooperation

The principal resolution adopted called for "not only theoretical but practical cooperation between companies and agents in promoting principles and legislation which are in the public interest," and affirmed the association's "intense desire to bring about closer cooperation between agents and companies to the end that all elements in the insurance business may be united on a state level so that the weight of their combined efforts may be most effective in the public interest and the continuation of the private enterprise system."

Elected president of the Ohio association was Harold S. Bowen, Norwalk, to succeed Carl A. Gluck of Youngstown. Charles H. Eichhorn, Columbus, was elected vice-president. Thomas W. Earls, Cincinnati; Torrence A. Makley, Dayton, and Henry Frankel, Cleveland,

were named trustees for a three-year term.

Harold S. Bowen, the new president, is president of the Bowen Co. agency of Norwalk. He has served as a trustee and vice-president of the Ohio association and is a member of the long haul research committee of the National association. Mr. Bowen is a recognized authority in selling insurance by direct mail. He is active in Norwalk civic affairs, has been secretary of the Kiwanis Club there for 25 years, and is a past post-commander of the American Legion. He holds a commercial pilot license.

The new vice-president, Charles H. Eichhorn of Columbus, organized the Eichhorn-Hunt agency there in 1942. He was elected a trustee of the Ohio association at the Toledo convention in 1947. Mr. Eichhorn is a trustee of the Columbus board and has been active in that group. He is a graduate of Ohio Wesleyan University and has served as trustee of that school since 1947. He is a past president of Columbus Kiwanis Club and the University Club of Columbus.

There was an overflow crowd at the first general gathering, a luncheon at which talks were given by Superintendent Robinson of Ohio and John C. Stott, immediate past president of the National association. The formal welcome to the agents was extended by Carl C. Burns, president of the Dayton board.

Mr. Robinson received a rousing hand when he was introduced and at the conclusion of his talk was presented



Carl A. Gluck



T. M. Gray

a plaque by Carl Gluck on behalf of the association in recognition of his long and faithful service to the department and the insurance business.

Mr. Stott was called to appear at Dayton to replace Charles P. Butler, executive vice-president of N.A.I.A., who is confined to his home with influenza. He was introduced by James F. Van Vechten of Toledo, Ohio state director.

Installment payment plans on term business may bring about a reexamina-

tion of the term rule, Mr. Stott warned. Policy writing agents should study the cost of doing fire business in case the term rule is ended and annual payment substituted, he said.

The New York insurance department has made a cost study in his agency, Mr. Stott declared, and the results will be announced soon. The study has shown that the agency does not make money on fire business, and if all the agency's fire lines were put on an annual basis the cost of doing that business would be all out of proportion.

If annual payment on fire were instituted in all agencies, Mr. Stott said, those doing a heavy fire business would be in a serious position.

Mr. Stott concluded his talk with a stirring plea for action on the part of agents in maintaining the free enterprise system that had the audience on the edge of their chairs. As he stepped from the rostrum, he was accorded a tremendous ovation.

## Relates License Improvement

Improvements in the licensing division of the insurance department by use of a machine operation on applications were related by Superintendent Walter A. Robinson of Ohio.

Mr. Robinson remarked that he took office in January and can now definitely state that the honeymoon is over and he is facing the realities of the job.

Examination of prospective agents continues at an increased tempo. In September 708 examinations were given, wherein 545 applicants were successful. A significant aspect is that in the same month 863 applicants were notified to appear for examination and 155 failed to report.

## Company Men, Agents Can Help

Mr. Robinson emphasized that company men and agents can help the department greatly by seeing to it that prospective agents present themselves. If they do not appear within 31 days, the requisition for license is returned to the company home office and confusion follows. If the man gets around to taking the examination after the 31 day period, a new requisition is required.

After study and investigation, the department has decided to improve the system of license issuance using a new machine system that will eliminate printing of forms, mailing of the forms, checking by the insurance companies of applications and proofreading by the companies, and running the completed forms through a machine which affixes the state seal and license serial number. The new process will also eliminate double proofreading in the licensing division.

## Mail List of Present Agents

Under the new system, Mr. Robinson explained, each year at renewal time a list will be mailed to each company showing the currently licensed agents. The company can make necessary corrections, certify it, and return it to the department which will simply check the

list, make corrections to the plates requiring changes and run the licenses through. The total cost of the new installation will be \$40,000 and Mr. Robinson said the annual savings to the department is conservatively estimated at \$10,000.



Karl D. Dakin



W. A. Robinson

A fire prevention show concluded the first day's activities. Last year at Columbus, the prevention session drew an audience of six, but there were more than 300 on hand this time. Verne Hart, special agent of Aetna Fire, chairman of the fire prevention committee of Ohio Fire Underwriters Assn., presided. R. B. Kurfiss, chief inspector Dayton fire department, spoke, and entertainment was provided by a barbershop quartet and W. C. Fenner of Dayton, who gave a clown fire prevention act that was very well received.

## Legislation Main Interest

That the problems of Ohio agents are almost entirely tied up with legislative matters was clearly brought out at the Tuesday business meeting and the following panel sessions on legislation and automobile insurance. Besides the resolution on company cooperation, the association adopted another offering its services to the commission set up by the last legislature to study the need for temporary disability insurance, to facilitate a thorough examination of facts to the end that private insurers continue to have the "widest opportunity to serve the public interest."

Resolutions were also adopted commending Superintendent Robinson of Ohio and condemning adoption of installment plans on term fire business.

In his remarks at the business meeting, Theodore M. Gray, executive secretary of the association, called for a new approach to legislative problems, with the companies taking their share of the burden. Immediate problems must be met, he said, but the long range problems, issues the business will have to meet in five or ten years, can be somewhat molded if there is immediate recognition of the need for industry-wide cooperation at the state level and steps are taken to further company-agent relations in these matters.

Some progress along that line was reported by Earl R. Hunsicker, Akron, casualty company liaison chairman. Mr. Hunsicker said he feels the casualty

(CONTINUED ON PAGE 14)

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## Federal Marine Writing Intended for Emergencies

WASHINGTON — Marine interests reportedly have agreed to the proposed authority for writing of war risk by the maritime commission in the bill recently recommended by that agency would not become effective until a national emergency arose.

The bill would authorize maritime to write such coverage in peacetime. It is reportedly sponsored by marine interests, who fear the results of a possible sudden hostile attack. It would authorize such writing upon direction of the President after consultation and advice.

Delay of this writing until an emergency develops, it is suggested, might be insured by amending the pending bill or under agreement between marine interests and government that the former would not ask maritime writing except in emergency.

The House bill has been held up until next session of Congress by Rep. Weichel's charged "filibuster" against it in the House merchant marine committee.

A similar Senate bill has been subject of a "preliminary study" by a Senate interstate and foreign commerce subcommittee headed by Magnuson, Washington, who says in an interim report that "investigations will continue."

### Weichel Asks Investigation

Rep. Weichel of Ohio is carrying his fight against the maritime commission, war shipping administration and marine insurance interests beyond the House committee on merchant marine. He has introduced a resolution for investigation of commission and WSA insurance activities from 1940 to 1949.

The resolution states that maritime commission and war shipping administration were "supposedly" engaged in marine insurance; that employees of insurance business were temporarily working for maritime and WSA; that such insurance employees made arrangements with all the marine insurance companies and underwriters; that by such arrangements maritime and WSA turned over to the marine insurers more than \$150 million; that the insurers made investments out of this and received an estimated additional income of nearly \$18 million, which was not given to the government; that the insurers only paid out approximately \$25 million of these funds on ships and cargoes owned or controlled by the government.

### Wm. Penn Fire Makes Gains in Half Year Period

The semi-annual statement of William Penn Fire shows assets of \$4,819,151 with securities at market or convention valuation, whichever is lower. Capital is \$1 million and policyholders surplus is \$1,715,397. The latter figure at the end of 1948 was \$1,633,832.

For the first six months the ratio of losses and loss expenses incurred to premiums earned was reduced to 27.4 and ratio of expenses incurred to premiums written of 59.4, a total of 86.8. Expenses incurred during the first six months of 1949 included non-recurring legal, accounting and other expenses of \$117,570.

Subsequent to the separation of Wm. Penn and National of Denver from the Rhode Island group in August, 1948, the management has eliminated from the Wm. Penn and National portfolio \$1,400,000 par value of investments in related companies. The policy is to make no further investments in any related or affiliated companies, and to convert as rapidly as possible such investments into government bonds.

Ralph F. Gates, the chairman and president, is ex-governor of Indiana and

general counsel of the national Republican committee.

P. H. Mell, executive vice-president, is in direct charge of insurance operations. S. J. MacMinn, vice-president, was previously vice-president of Manufacturers Fire and secretary of St. Paul F. & M.

P. Stephen Stahlnecker, secretary and treasurer, was formerly for a long time associated with Gov. Gifford Pinchot, and was a member of the public utility commission of Pennsylvania.

Wm. A. Schnader of the firm of Schnader, Harrison, Segal & Lewis, of Philadelphia, is general counsel. Ralph W. Hill is director and general agent for Indiana.

### Utah Cabinet Selected

Earl E. Jones of Ogden, president of Utah Assn. of Insurance Agents, named the new chairmen of the standing committees at the new executive committee's first meeting at Salt Lake City.

The Far West Agents' Committee is headed by Adrian W. Hatch, Logan, who was reelected state national director. His sub-chairmen are Ralph D. Callister, vice-chairman, for casualty

lines and Joseph A. Ottenheimer, for fire lines.

Other chairmen are: Membership, J. Edwin Stein, Provo; agents qualification, Arnold E. Burgener, Salt Lake; public relations, E. Hugh Ford, Ogden; fire prevention, Sherman T. Hunter, Salt Lake; accident prevention, Grant Jacobsen, Provo; education, Ben Van De Graff, Ogden, and legislative, Ralph D. Callister, Salt Lake.

O. A. Ogden, secretary of the fire companies of the National Fire group, received the congratulations of his associates upon completing 25 years of service. More than 25% of the employees of the group in the home office territory are now members of the Twenty-five Year Club.

Mr. Ogden, after attending Ohio State University and serving with Ohio Inspection Bureau, joined National Fire in 1924 as special agent in Ohio. In 1941 he was appointed state agent in Michigan, in 1943 was made automobile superintendent in the western department at Chicago. In 1945 he was transferred to Hartford as assistant secretary to assist in the supervision of the automobile and inland marine departments. He was elected secretary in 1947.

## Offer New Fire Prevention Engineering Courses in Ky.

New courses on fire protection and safety engineering, starting with the fall semester 1949-50, will be given by the college of engineering, University of Kentucky, in cooperation with the Kentucky department, Louisville Board and Kentucky Assn. of Insurance Agents.

The insurance department has arranged for six scholarships, recipients of which on graduation will be expected to take jobs with the department, Kentucky Inspection Bureau or insurance companies. Louisville Board and the Kentucky association both are sponsoring two-year scholarships, and have chosen their candidates.

Lecturers will include Charles J. Baugh, assistant director of insurance; J. L. Thompson, assistant manager Kentucky Inspection Bureau; W. M. Horn, chief engineer of the bureau; Eugene W. Short, fire protection engineer Milliken, Plamp & Co. agency, Louisville; W. M. Denning, chief engineer for the state fire marshal; Homer L. Trimble, vice-president Bradshaw & Weil agency, Louisville.

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## Auto Loss Men Debate Cover Questions Raised by Riot, Paint Bubbling

NEW YORK—The insurers expressed some doubt that they were liable under the comprehensive coverage for the damage to automobiles which occurred after a concert near Peekskill, N. Y. by Paul Robeson, it was brought out at the October meeting of the Automobile Claims Assn. here. Howard A. Kochendorfer, Atlantic Mutual, presented a study of the matter.

Robeson had been prevented by veterans and others from giving a concert the Sunday previous to the appearance he made near Peekskill, and on that occasion some automobiles and buses had been damaged. Following the Peekskill concert a larger number of buses and automobiles was damaged by stones and overturning.

### Most Claims Paid

It is understood that most of the claims have been paid. However Mr. Kochendorfer pointed out that it was contended by carriers that in view of the disorder on the previous Sunday damage to automobiles could reasonably be anticipated at the second concert so the damage to the automobiles was not accidental within the meaning of the contract.

He cited several cases and made the point that insured did not place his automobile at the scene of the damage with the willful intent that it should be damaged. It is argued that the damage to insured's automobile cannot be regarded as accidental since an accident is an event which is unforeseen and unexpected. To place this construction on the word accidental would greatly limit the coverage of policies, he said.

He said that if insured recklessly operates his automobile and there is a collision, insurers would say he was in-

involved in an accident. Insured's negligence in exposing his automobile to damage did not deprive that damage of its accidental character or constitute the damage as willful on his part. Insurers therefore are liable under the policies for the damage that occurred at the Peekskill riot, he concluded.

### Claims for Blistered Paint

Some of the companies now are getting claims for blistering or bubbling of auto paint. Thomas Finnegan of Corroon & Reynolds said that his office had received about 25 such claims, apparently the result of the hurricane in Louisiana and the southwest. Several year models and several makes of cars are represented in the group. The question is whether the coverage comes under the comprehensive, and there was considerable argument that it does. One adjuster thought that if the bubbling resulted from capillary action, as was suggested by newspapers in the Missouri cases, that this might be gradual wear and tear and therefore excluded. However, others thought that these as well as those from the southwest would have to be paid since the losses apparently occurred simultaneously over a wide territory as the result of a sudden event.

The question also was raised as to whether comprehensive covers damage to the interior of a car caused by rain that got in when the window was left open. There was considerable difference of opinion on this but those that felt companies should pay pointed out that it would be necessary to assume insured did not walk away from the car in the rain with the windows open and that insurers pay all the time for losses that result from carelessness and

even negligence by insured. Insurers pay for window breakage that is caused by windows being left closed and breaking as a result of heat. Another adjuster asked what if the car were improperly sealed and rusted. Adjusters thought that would be like glass that breaks due to improper installation, that it should go back to the automobile dealer or factory if it occurs during the warranty period.

### Question on Outside Vizion

Leslie Lloyd, Pacific Fire, said that his companies had had some claims based on the outside sun vizor blowing up over the car while the car was travelling at normal speeds. His companies take the position that they do not pay for the breakage of the sun vizor itself, but that if it does damage to the car otherwise, then that would be paid.

The association voted to membership William Lind, independent adjuster; Robert R. Cubbin, Phoenix of Hartford; Clifford E. Gundersen, Home; Thomas F. Costello, Providence Washington, and Bernard Warshower, Reliance Service Bureau. Kenneth R. Buckton, Globe & Rutgers, president, presided.

## More Accounting Parleys Are Being Shaped Up

The uniform accounting instructional conferences, that experts from the New York department are staging upon invitation at various points are attracting much attention and several others may be held before long. Nearly 200 attended the day-long session at Chicago for the benefit primarily of the Illinois and Indiana departments, but that was attended also by representatives from 12 other states and from about 45 companies. The first such meeting was at Columbus. Then there was one at Detroit. The next was at Chicago. A similar engagement for Nebraska-Iowa, possibly at Omaha, is a possibility and the Missouri department is making overtures.

At Chicago the New York team of instructors consisted of Thomas Morrill, deputy superintendent; James Higgins, chairman of the N.A.I.C. uniform accounting committee, and Max Livshin, associate examiner in the uniform accounting bureau.

### Ditton Named Supervisor

M. A. H. Ditton, who has been an average adjuster with Hansen & Rowland, Tacoma, since he came to the United States from London in 1947, has resigned to join Robert O. Fleming & Co., Seattle insurance brokerage and average adjusting firm.

Mr. Ditton will supervise the adjusting department and also will be engaged in the brokerage end of the business.

### Add to Baltimore Staff

Fire Association has named Charles Miller, 3rd, as marine special agent in the Maryland-Delaware-District of Columbia territory with Baltimore headquarters where he will be associated with Special Agent John H. Beck. He joined Fire Association's training school in 1946, and has served in various capacities in the head office marine department.

### Province Buys Private Co.

REGINA, SASK. — The Saskatchewan government insurance office has acquired control of Saskatchewan Guarantee & Fidelity of Regina, a company operating in this province and Alberta under a charter permitting it to write all forms of insurance except life.

Premier T. C. Douglas said it has not been decided whether to take advantage of the company's broad charter and its registration in Alberta. He denied that the government office had "gobbled up" a competitor.

Insurance Women of Los Angeles will hold a country fair and dance at Compton, Cal., Oct. 21.

## Insurance Work at Univ. of Wis. Is Booming

Although the enrollment in University of Wisconsin this year has decreased about 5%, the insurance course enrollment has increased by 24% and in the elementary insurance class, the enrollment is 425 students, which is an increase of 31% over last year. Prof. Charles C. Center, who is mainly responsible for the insurance activities, attributes this new interest in insurance at the university to the influence of insurance men. Companies and agencies have awarded numerous scholarships, have attended meetings of the Insurance Society of University of Wisconsin and encouraged the students about the opportunities in the field. Sixty-four members of University of Wisconsin Insurance Society who received university diplomas during 1949 have obtained insurance employment.

### New Scholarships Offered

The first meeting of the season of the Insurance Society was held Tuesday evening at Madison with J. A. Berge, executive secretary of the alumni association, as speaker.

Scholarships were recently established by Old Line Life, Cuna Mutual, General Casualty of Madison and Farmers Mutual of Wisconsin. Those previously established were by Wisconsin Assn. of Insurance Agents, Wisconsin Life, National Mutual Benefit and three by Wisconsin general agents of Northwestern Mutual Life.

### Turkey Storm Losses Small

ST. PAUL — Turkey losses were small in the Oct. 10 windstorm, Farm Owners Mutual of St. Paul, a heavy turkey underwriter, reports. It has received about 20 claims involving an average of 30 birds each. Small losses are attributed to better shelters this year and to the lack of rain with the wind. Liability ends to a large extent Oct. 31, and extensions have not been above normal. Farm Owners reports a 15% loss ratio so far this year.

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# Swedish Commission Votes Against Nationalization

NEW YORK—Following lengthy investigation and discussion, a seven man committee of the Swedish parliament has voted unanimously against the nationalization of the insurance business in that country. News of the action was revealed in an interview here by Gunnar Kalderen, vice-manager of Skandia, and Ivar Sjogren, president of that company. Mr. Sjogren and Mr. Kalderen flew here for a short visit with executives at the U. S. head office. Mr. Kalderen is returning to Stockholm by way of Canada the end of this week and Mr. Sjogren returned by air last weekend.

The committee was composed of three Socialists, a moderate party; a Communist, an Agrarian, Liberal and Conservative. Its objective was to investigate the insurance business and outline an organization of it that would be best suited for taking care of the interest of policyholders. Whatever form of organization the committee decided on, according to its instructions, had to satisfy a demand for the solidity of the business, provide policyholders a protection suiting their requirements at the lowest possible cost and give them speedy and equitable loss settlements.

## Government Auto Insurance

By a vote of four to three, along political lines, the committee voted to nationalize "traffic insurance." Sweden has had compulsory automobile liability insurance since 1929, but presently the business is written by private insurers. The committee's recommendation is to form Traffic Insurance Co., with the character of a civil service department but carried on as an independent company working on commercial lines and controlled by the insurance supervision board as are other insurers.

According to the committee, the essential aims of a program of reform for private insurance ought to be to safeguard a democratic influence within private insurance, to create as far as possible a guarantee for the protection of legitimate interests of insured and to increase the possibilities of society for supervision and control of the activity. The committee then concluded that this goal can best be attained within the framework of the present insurance structure, excepting traffic insurance.

## Want Capital With Real Hazards

On very hazardous risks, especially marine and industrial fire, it can be to the advantage of policyholders to have extraneous capital willing to take a risk contributing to support of the industry, the committee stated in its report. Also, joint stock companies are preferable where the insurer carries on a large reinsurance business or direct business abroad. The committee did recommend that when launching companies in the future they ought to be of the mutual type except where it is evident that the limited liability company is more suitable.

The committee suggested that to further democratic management in joint stock insurers, policyholders should have an opportunity to get on the board. The new insurance law provides for representation of policyholders on the board of mutual companies. Stock insurers doing business abroad ought to be exempted, according to the committee, "as there is no reason to assure foreign policyholders of influence on the management of Swedish insurance enterprises." As an alternative to a policyholder, the government might be entitled to nominate a member of the board to look after policyholders' interests, the committee suggests.

The committee recommended a reduction in the present number of companies, "to the extent as is desirable with regard to a sound development

and the need of the market." It did not recommend a forced realization of the reduction but thinks it ought to be left to private insurance interests "to pursue the development towards increased concentration that has already been initiated voluntarily." The committee advises consultation between companies and the government insurance department to work out the prerequisites for deliberate planning and continuity.

Small local mutuals, called "parochial offices," are presently not subject to real supervision, but the fire offices should be. There would of course be certain exemptions because of the simplicity of conditions prevailing in such mutuals, according to the committee. The small stock life and marine offices should not have increased supervision, according to the committee. Foreign insurers doing a direct business in Sweden should be subject to supervision.

## No Compulsory Lines

Extending the compulsory idea to other lines was studied but the committee made no recommendation. It especially considered compulsory third party insurance, but this was discarded largely for practical reasons. A proposal was suggested, however, for the state to assume general liability for injuries to persons when the injuries exceed 1,000 krona. This would exclude losses covered by compulsory automobile. The state would have the right to recover from the person to blame for an accident if he acted deliberately or was grossly careless. The cost of this scheme would be approximately Kr. five million per year, excluding management expenses and would be financed by taxation. The scheme should be

examined by special experts, the committee said.

The committee recommended application of the principle of equity to non-life business. It had already been introduced with respect to life insurance. It states that the principle of equity implies that the net cost of the insurance shall be a fair price as respects benefits and services provided and that the state shall control this.

## Would Consider Net Cost

The net cost, that is less bonuses or dividends, would be considered. In lines other than life it would be necessary to apply the equity principle when fixing the premium, that is in advance, and this would have to be done on a statistical basis. The committee proposed therefore that companies keep continuous statistics and place them at the disposal of the insurance department. The principle also entails control of policy conditions and a limitation of the possibilities of profit for shareholders. It

would not apply to foreign business of Swedish insurers.

The committee's recommendation for nationalization of auto insurance provides for centralization of business in a single enterprise modeled on a mutual company. On the board of seven members the president and vice-president would be appointed by the government and other members by a general assembly consisting of 49 proxies, 35 appointed by the government, each representative of a county except the one from Stockholm. The remaining proxies are to be appointed by various associations of owners of motor vehicles.

Every policyholder would be entitled to submit proposals to the general assembly, to attend the assembly and speak there, as well as demand further particulars on the business of the company. The policyholders would incur no liability or obligation to the company, which would be covered only by the assets of the company.

## Board to Settle Losses

An independent loss settlement board would be set up to decide disputed claims. The government's insurer could compete with private insurers for automobile material damage coverage. By using motor vehicle registers of county administrations, the company would need no policies—the insurance would be automatically valid for all vehicles registered in Sweden or used in traffic without being registered. Tractors would be included, including those belonging to the state and municipalities, although these vehicles would be specially rated according to their claims experience. The coverage would not apply to military vehicles. The limits would be increased from 10,000 krona.

Under the proposal Traffic Insurance Co. would be organized July 1, 1951, and commence business Jan. 1, 1954. Companies now writing traffic insurance would carry on their business for five

(CONTINUED ON PAGE 25)

## New; Old Chiefs



C. R. Hewitt



Jesse D. Bradley

C. R. Hewitt of Dorset, the new president of Minnesota Assn. of Insurance Agents, has taken over that office from Jesse D. Bradley, Duluth.

# Wm. Penn Fire Insurance Co.

PHILADELPHIA, PA.

JUNE 30, 1949

## STATEMENT

ASSETS		LIABILITIES	
Real Estate .....	\$ 30,000.00	Unearned Premiums .....	\$1,246,177.92
Bonds .....	1,814,980.69	Reserve for Losses and Loss Expense .....	136,665.00
Stocks .....	380,771.43	Reserve for Taxes and Other Liabilities .....	203,311.85
Cash Balances:		Funds Held Under Reinsurance Treaties .....	1,117,599.59
Cash on Hand and in Banks .....	348,126.16	Reserve for Contingencies .....	400,000.00
Special Deposits .....	285,000.00	Capital Stock .....	\$1,000,000.00
Agents and Home Office Balances .....	655,123.22	Surplus .....	715,397.63
Due from Other Insurance Companies .....	1,230,245.63	Net Surplus to Policyholders .....	1,715,397.63
Other Assets .....	74,904.86		
	<u>\$4,819,151.99</u>		<u>\$4,819,151.99</u>

All Securities are shown at lower of market value or National Association Insurance Commissioners Convention Value as at June 30, 1949.

## Many Comments on Unearned Premium Coverage Article

The article by Claude Markel on computing unearned premium coverage, which appeared in the Oct. 6 issue, has drawn favorable comment from both companies and producers.

Mr. Markel, who operates a successful brokerage firm at 111 Fulton street, New York City, for years has been a close student of the business. His simplification of the process of computing unearned premium insurance is only one of a number of ideas and approaches to knotty problems of this sort which, in articles in the insurance press, have helped producers to a more efficient and economical operation.

The article on U.P. coverage, which was presented substantially as Mr. Markel wrote it out, resulted from his dissatisfaction with the older, more complicated method of computation.

Robert O. Young, Cleveland manager of North America, fastened a scientific eye on this article and compliments Mr. Markel on his attempt to bring into being a simplified formula for this complex coverage.

"I believe you should point out to your middle western readers, however," he states, "that the formula and the example for obtaining R2 is incorrect as the rule for obtaining the premium for unearned premium insurance requires that it shall be computed by charging one-half of the sum of the fire rate and the extended coverage rate against the sum of the fire premium and extended coverage premium, and the result will be different from that obtained by the use of the formula outlined."

From Fred S. Slagle of Kansas City, state agent of Automobile:

You might enjoy the following, if you have a few hours to spend in checking my ramblings and computation.

In the Oct. 8 NATIONAL UNDERWRITER on page 12 a broker has given a "simplified" formula for the various computations involving the UPE. Any formula or mathematical equation arouses my interest, and so for my own amusement and information I attempted to check his work.

This computation may be entirely correct within the territory the author operates; however, inasmuch as this article appears throughout the nation, I fear for the vast number of criticisms which may follow. It is definitely subject to amendment in the midwestern territory.

His basic formula for the UPE premium is as follows:  
Premiums equals amount of insurance times rate squared divided by 20,000.

This can be arrived at easily by breaking down the equation as follows:

Amount of insurance times rate per hundred (fire premium) times one-half the rate per hundred.

However, it is the author's contention the "rate squared" involved is the sum of each individual rates (F, EC, VMM) squared and not the sum of all the rates squared. His definition then shows the UPE being computed by the fire premium times one-half the fire rate, the EC premium times one-half the EC rate, and so on for other coverages.—Here I beg to differ insofar as it affects my territory.—Missouri rule book states—"When the unearned premium endorsement is attached to a fire policy containing the EC endorsement the premium for UPE shall be computed by charging one-half of the sum of the fire rate and EC rate against the sum of the fire and EC premium."

To attempt to clarify the above mass of words, I am attaching several premium computations as examples.

Examples used by author:

Amount of Insurance \$320,000 (Squares)			
Fire rate	.....\$1.64	2.69	
EC rate	......27	.073	
VMM rate	......175	.031	
		2.085	2.794

By applying his formula using the sum of the individual squares (2.794) we have  
320,000

times 2.794 which equals \$44.70 20,000

By using the Missouri rule book formula of one-half sum of rates times the sum of premiums (\$6,672) we come up with an UPE premium of \$69.55.

This \$69.55 can also be developed by using the author's formula but using sum of rates squared (2.085 squared equals 4.347.).

It seems more logical to this poor bird-dog that inasmuch as the policy is insuring the premium involved against all the perils covered that the rate used be the total of all the rates. Of course, the one-half factor represents the fact that at the beginning of the policy there is a full premium and at the end none thus taking the mean average.

I'm all in favor of this new set of formulas offered as they will be easier in large policies when rates are changed or the policy increased or reduced. I'm only arguing with his basic principle that the rate squared represents the sum of the individual rates each squared and not the total of all the rates squared, at least in this territory.

## Program Features for Cal. Convention Announced

LOS ANGELES—At the annual meeting of California Assn. of Insurance Agents here Nov. 7-9, the first day's program includes O. Shaw Johnson, president of the N.A.I.A. "Tomorrow Is Yours—If—"; discussion, "Internal Economics," a forum with representatives of the Charles R. Hadley Co., Moore Business Forms, Remington-Rand, Inc., and Rough Notes participating; A. D. Johnson, secretary-manager of Los Angeles Credit Managers Assn. speaking on "Collections."

Nov. 7, W. B. Glassick, past president of the association, will speak on "Educational Problems"; W. H. Van Dusen on "Safety Education"; Attorney John S. Bolton on "Errors and Omissions Liability Insurance"; Elliott C. Hensel on "The Knack of Selling." There will be a luncheon sponsored by California Blue Goose; Virgil R. Howell of Mund & McLaurin & Co., on "Accounts Analysis"; open forum discussion on "Can You Tell Me Why?" with William E. Roskam in charge.

On Nov. 8: Breakfasts on local board problems, with Harold Barnhart in charge for cities of less than 100,000, and William Wilson in charge for cities of more than 100,000; closed business session, an open forum on current problems, with Rollo E. Fay, Pacific Coast manager of National Bureau of Casualty Companies; A. W. Gilbert, general manager Pacific Fire Rating Bureau, and Harold D. Sammis, Pacific Coast branch secretary of National Automobile Underwriters Assn. leading the discussions; Rowland Thomas, general manager Grimes Strassforth Stationery Co., making the last address on "Salesmanship."

The banquet will be held Nov. 9.

## Eye Theft and Pilferage

NEW YORK—A panel on theft and pilferage was presented at the American Merchant Marine conference here, with Fred M. Rohrer, Grace Line, president of the Security Bureau, and Edward E. Conroy, executive vice-president of the Security Bureau, as co-chairmen.

Stephen P. Kennedy, in charge of the waterfront command of the New York police department; W. J. Raftis, director of the protection department of Atlantic, Gulf & West Indies Steamship Co., and Miles F. McDonald, Kings county district attorney, discussed crime conditions on the waterfront, pier protection and the necessity of identification of stolen merchandise to bring about successful prosecutions.

It was brought out that about 75% of all custom or luxury goods imported or exported in the United States go through the New York port.

## Home Opens Employee Cafeteria

NEW YORK—Home Tuesday officially opened a completely modern air-conditioned dining room for its employees at the main office, 59 Maiden Lane, here. Harold V. Smith, president, said the new facilities have been "expressly prepared for the convenience and comfort of all our employees in order to overcome the difficulties attendant on lunching in the crowded downtown area." He was host at a special preview of the new dining room, buffet luncheon, with officers and directors of the company. Guests were representatives of the press and the various workers who participated in construction of the restaurant.

### Atmosphere of Charm

The objective was to create not only facilities for serving excellent lunches, but also an atmosphere of charm and comfort in which to enjoy them. Mr. Smith said. The food served will be purchased at wholesale and offered to employees at the wholesale cost to the company, he added.

The new dining room covers approximately 13,000 square feet of space on the 7th floor. It will accommodate Home's 2,600 main office employees in staggered lunch periods, 480 diners at a time so that all employees can be served between 11 a.m. and 2 p.m. The dining room will be managed and operated by the Knott Corp., hotel and restaurant operator.

### Early American Decor

Featuring an early American decor with pine paneling and brass and pewter fixtures, the dining room was designed by T. H. Engelhardt, a leading New York architect. Ceilings are of sound-absorbent fireproof mineral tile, while marbled linoleum covers the floors. All woodwork is flame resistant. The serving counters are stainless steel.

The kitchen area includes a butcher shop and bakery. In the huge "walk-in" refrigerators, a week's supply of meats, fruits and vegetables is kept. Frozen foods are amply stored in a separate freezer. In the kitchen proper are gas-operated cooking ranges featuring overhead air-filter suction systems designed to prevent any accumulation of fumes or cooking odors.

Throughout the entire service area, all mechanical and food handling equipment is of the most modern and approved design. An innovation is the electrically-refrigerated steel cold table on which salads and fruit desserts retain their freshness.

## To Resume Hearings in N. Y.

Announcement is expected soon by the New York state joint legislative committee on insurance rates and regulation of a resumption in hearings. A form was to be sent out to interested parties with space left for the insertion of suggestions to the committee as to future subjects for investigation. A hearing may be held a few weeks after election day, Nov. 8. The committee will be named this year by Senator Condon of Yonkers. Committee counsel is Paul L. Bleakley, also of Yonkers.

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## British P. & I. Insurers Set Up \$5 Million Trust

NEW YORK—A trust fund of more than \$5 million has been set up under New Jersey laws by six non-admitted British mutual marine insurance writers that specialize in protection and indemnity. Although the official statement does not comment on this point, it is understood that the step has been taken as a reinsurance to American policyholders in the carriers that losses will be paid in American dollars. While the action was taken by the insurers, obviously they could not have acted without the cooperation of the British government.

The six insurers, all "insurance associations, limited," are London Steamship Owners' Mutual, Standard Steamship Owners' Protection & Indemnity, United Kingdom Mutual Steam Ship, West of England Steam Ship Powers P. & I., Sunderland Steamship Protection & Indemnity, and Britannia Steam Ship. They write a substantial volume of P. & I. for American owners.

### Mendes Issues Statement

The statement, authorized by T. S. Wilding, chairman of the London tribunal that comprises representatives of the insurers, was made by William B. Mendes of the New York law firm of Mendes & Mount.

The trust cannot be revised or revoked prior to Feb. 19, 1965, without the consent of the trustee. Fidelity Union Trust of Newark has been appointed trustee, and the necessary legal documents have been executed. The funds were recently deposited with the trustee.

The trust instrument impresses the initial deposits of \$5 million and all U. S. dollar premiums with a trust in favor of the associations' American policyholders and provides for the orderly approval and payment of their claims out of the trust funds. The instrument also vests title to the trust funds in Fidelity Union Trust as trustee. The agreement provides that the trustee must be a bank or trust company organized under the U. S. laws or a state thereof and that it shall be a member of the federal reserve system.

### Insure Payment in Dollars

The prime purposes of the trusts are to insure that payment to American policyholders will be made in American dollars irrespective of fluctuation in the value of the pound sterling and that in the event communications are interrupted due to war or other cause, funds will be readily available to meet the claims of American policyholders.

## Reduced Auto Physical Damage Rates OK'd in N. C.

Approval has been given to the filing of North Carolina Fire Insurance Rating Bureau of proposed changes in rates on fire, theft, collision and comprehensive automobile coverage as amended. The filing as proposed provided for reductions in comprehensive, fire and theft for private passenger cars, commercial long-hauling, and commercial intermediate hauling. Increases in collision rates on private passenger cars, commercial local hauling, commercial intermediate and commercial long distance hauling were proposed.

The filing also proposed the re-symboling of pre-1942 automobiles so as to increase collision premium rates on old cars. It was proposed that all pre-1942 cars have the same symbols as those placed on comparable 1942 models for collision. However, no change of more than two symbols would be made.

A public hearing was held Sept. 21 to consider those proposals, at which time it was brought out that the pre-war private passenger cars are not paying their part of the losses on collision. Commis-

sioner Cheek requested additional statistics to be filed for justification of this claim.

The department has now approved the filing with respect to fire, theft and comprehensive. With respect to the collision filing, the department has approved the filing, resulting in an overall reduction at an estimated saving of \$527,797.

### Farm Officers Reelected

W. H. Watson, Fireman's Fund, the president, and all other officers were re-elected at the annual meeting of Farm Examiners Club of Chicago Monday evening. Ben Allen of Hartford Fire is vice-president; Lyman Teague, Commercial Union, secretary, and Walter Feldmann, Springfield F. & M., treasurer. The entertainment consisted of the movies, "One Man Harvesting," and "Helpful Henry." The next meeting will be Nov. 22. It was decided to meet on the fourth Friday of even months and the fourth Tuesday of odd months.

David G. Baird of Boston, vice-president of Marsh & McLennan, has been elected a director of Seaboard Air Line Railway.

The Insurance Women's Club of Detroit heard John R. Horn, Detroit manager of Travelers Fire trace the history of fire insurance. Plans have been completed for bosses' night on Nov. 15.

## Corroon & Reynolds Make Field Changes

Corroon & Reynolds has made a number of changes and new appointments in the field.

Warren A. Kienzle has been assigned to western Pennsylvania, with headquarters at Pittsburgh. He has had home office training and formerly was with Royal-Liverpool in Wisconsin. His father is Adolph Kienzle of the western department of North British. He replaces Harry Eggert, who recently resigned.

William Wright has been assigned to northeastern Pennsylvania, with headquarters at Wilkes-Barre. He has been with Corroon & Reynolds 15 years as a home office underwriter.

Sidney J. Adams goes to the New England territory, to assist P. A. Cosgrove, general agent, with headquarters at Hartford. Mr. Adams has been with Corroon & Reynolds nine years and has been an underwriter at the home office.

M. J. Countryman, special agent in Oklahoma with Houston F. & C., has joined Corroon & Reynolds as assistant to Roger Lochhead, state agent at Oklahoma City. Mr. Countryman is a native of Oklahoma and for three years was with Oklahoma Audit Bureau.

Robert E. Hauck, formerly with one of the large company groups in the home office and field, has joined Corroon & Reynolds at the head office in an underwriting capacity. He has a broad experience, having traveled throughout the country. For the time being his underwriting activities are in the middle western territory where he traveled as a field man.

### Valuation Committee Meets

NEW YORK — The commissioners' committee on valuation of securities, of which Harrington of Massachusetts is chairman, in its meeting at the New York department here Thursday was scheduled to interview candidates for the additions to the committee's valuation staff. The group also was set to decide on the assessments and adopt a budget.

### M. J. Miller Ky. Headliner

LOUISVILLE—Melvin J. Miller of Fort Worth, new vice-president of National Assn. of Insurance Agents, has been secured as leading speaker for the annual meeting of Kentucky Assn. of Insurance Agents here Nov. 14-15. Peyton B. Bethel, executive secretary, states that it is also hoped to have on the program Gov. Clements of Kentucky and Commissioner Southall.

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## Wichita Buyers Conference Meeting Features Many Interesting Talks

The first executives and insurance buyers conference presented by Wichita Assn. of Insurance Agents was a pronounced success with 273 buyers and executives registered and 330 attending the luncheon.

The conference room was filled to capacity from the opening discussion on "Workmen's Compensation" by Edward W. Ozanick, assistant superintendent Hartford Accident, Chicago, until the last speaker, William A. Eakin, manager western department of Employers, Chicago, talked on "Comprehensive Liability." Other speakers were G. R. Colburn, assistant vice-president American Appraisal Co., Milwaukee, on "Property Valuations Today"; John T. Even, assistant manager Fireman's Fund, Chicago, on "Business Interruption," and Alden Trovillo, manager industrial department, Wichita Chamber of Commerce, formerly with Underwriters Laboratories, on "Wichita's Industrial Prospects."

E. C. Moore, Wichita board president, opened the conference and then turned the program over to Chairman Paul C. Yankey. A lively open discussion followed each talk, clearly indicating the interest in the four insurance coverages that were presented.

### Agent Proper Advisor

Mr. Ozanick said the proper person to advise an employer about the extent and need of workmen's compensation is the insurance agent. He stressed the need and importance of insuring agreements covering statutory and common law liability.

Mr. Colburn presented a very informative discussion of requirements of the assured by the policy contract in case of loss and a careful explanation of the coinsurance clause. The need of an adequate property record correctly maintained was emphasized.

He said "any inventory was better than none, but a good inventory is better than a poor one." He discussed methods of keeping records up to date, stating they must be a "moving picture" and not a "snap shot," but that records must not be made too costly to maintain. Illustrations of various possible margins of error in using price trends as an index for property values were given, such as the fact that a property may be of a specific size or shape; that base cost may not reflect value at date of purchase such as purchase at a second hand price; also that "trends" lack the factor of mature judgment on such important items as depreciation, appreciation or obsolescence. By using broad price trends, he warned that a false sense of security might be gained and at time of a loss it would be too late to correct.

Mr. Colburn emphatically stated that no material reduction in values for insurance purposes should be taken at this time even though he admitted there apparently has been some improvement in labor efficiency. He said there is no short cut route to determine an accurate or probable value and that "the rule of thumb is subject to variations of 50% or more." He cautioned that the insurance contract never intended that an assured should get something new

for something old.

Replacement cost coverage that is now approved in numerous jurisdictions was mentioned, but calling attention to the 100% coinsurance requirement, Mr. Colburn cautioned further that an even more accurate record of values is needed if used. In detail he outlined the insurable from the uninsurable property. He commended the agents for their efforts to keep coverages in line with changing and increasing values.

While discussing business interruption, Mr. Even said "1,000 things can happen to you that cannot be set up in cost accounting" and listed a score or more of the common or not too unusual emergencies. Business interruption reduces these possible items of expense to a known level, he added. But he said that not over 15% carry B. I. He asserted that the average industry, store or service would not collect more than 30 to 60% of their actual loss if they do not carry B. I. He brought out a dozen or more things that would happen to any risk in case of loss not protected by fire or extended coverage. He defined B. I. as a "policy designed to do for your business from an earning point of view what your business would do had you not had a loss."

### May be Your Banker

He urged the buyers not to hesitate in giving his insurance agent the essential information needed to intelligently prepare his coverage, especially any matters of contingent liability. He said that B. I. coverage is a living thing and not to put in a casket or morgue but to mark it up for every 60 to 120 days and "do something about it to keep it up to date." He added "your B. I. insurance policy may be your banker tomorrow if you have a fire." In defense of the agent, he told the buyers they must be alert to keep the agent informed of any changes in the plant or business, but also to make the agent "do a job for you." He called attention to the need of sprinklered plants for sprinkler leakage B. I.

In closing the program Mr. Eakin said that comprehensive liability is third party protection and needs third party analyses. He urged the buyers to "tell your insurance counselor what you have got and why." Mention was made of plants changing hands and the new owners not being aware of former easements, contracts, etc., that are of importance for proper liability protection. Coverages must be kept alive and up to date, he warned, and added that the smart agent will do this. Unusual hazards were mentioned, such as handling and use of liquid petroleum gas in the midwest.

R. Maynard Toelle, supervisor at Chicago for A.F.I.A., addressed the Insurance Club of Minneapolis last week and next week will address the annual meeting of the Wisconsin Assn. of Insurance Agents.

## O'Connell Warns of Threat to the Auto Line

### Agents Must Gird to Save Selves from Elimination from Field

DAYTON—Arthur M. O'Connell, Cincinnati, vice-president Thomas E. Wood, Inc., and president Cincinnati Fire Underwriters Assn., in addressing Ohio Agents at the automobile session here Tuesday said the automobile insurance business will certainly undergo substantial changes before too long and there is grave danger of the independent insurance agent being eliminated from it completely. If the agents do save their business—and Mr. O'Connell said that it is even possible they may better their position—they will do so only through unity and organization, acting through their local and state associations and through the use of legitimate impact upon public opinion and legislation.



A. M. O'Connell

"No one else," Mr. O'Connell said, "is going to do it for us. The average member of the public, the average professional man and the average corporation are too much impressed with their own problems to be concerned as to whether or not insurance is sold through agents, direct by companies or through a bureau set up as a political subdivision of the state."

Automobile Compensation Threat

Pointing out that public opinion decided years ago that industrial accidents are an inevitable consequence of injury and should be compensated without question of negligence, Mr. O'Connell said that the public conscience is about ready to come to the same conclusion as to automobile accidents. He explained the bill introduced in the last Ohio legislature, which would have made all automobile accidents compensable, regardless of negligence, with a monopolistic state fund into which all motorists would be required to pay premiums. While the bill did not come to a vote, due to determined opposition by insurance interests, Mr. O'Connell warned his audience that another legislature will convene in 1951 and more

### (CONTINUED ON PAGE 31)

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Principals at Wichita Buyers Conference—Paul C. Yankey, Jr., of Paul C. Yankey & Co., general chairman; G. R. Colburn, Milwaukee, American Appraisal; Edward W. Ozanick, Hartford A. & I., Chicago; Alden Trovillo, Wichita Chamber of Commerce; E. C. Moore, Harris, Burns & Co., president Wichita Assn. of Insurance Agents; William A. Eakin, manager western department Employers group, and John T. Even, assistant western manager Fireman's Fund.

## Explain Reciprocal Setup to Buyers

NEW YORK—Reciprocal insurance was discussed at the Savings Banks Insurance Forum of New York here by Ernest Brown, president and Robert Dewey, vice-president of Ernest W. Brown, Inc., attorney in fact for the Associated Reciprocal Exchanges. Mr. Brown said that A.R.E. for years had had trouble getting savings banks to accept reciprocal policies, although this is not true of commercial banks, and life companies, which used to decline to accept them, are now doing so, both on mortgaged properties or on properties purchased by life companies and leased back.

Savings banks give two reasons for not accepting reciprocal policies, Mr. Brown said, one being that if it takes over a property under foreclosure it becomes a subscriber at A.R.E. subject to assessment liability. The banks also raise the question of who gets the return premium in case property is foreclosed and the coverage cancelled. The bank gets this return, Mr. Brown said, and it doesn't become a subscriber, even though the policies are continued. The exchanges will endorse the policy to that effect, if desired. Under foreclosure circumstances, the policy is cancelled pro rata not short rate, he said.

### Nothing in Statutes

It is possible the bank might wish to continue the coverage and yet feel that it cannot accept the liability of being a subscriber. Mr. Brown said he had secured a firm opinion from an official of the New York banking department that there is nothing in the banking statutes to prohibit acceptance of a reciprocal or a mutual policy by a savings bank, and he has a similar opinion from the legal department of one of the large savings banks.

The other objection raised by banks is that reciprocal exchanges fundamentally are unsound anyway. He refuted this by pointing to the long and successful history of his own exchanges, the reserves, etc. He said only subscribers with a net worth of \$75,000 or more and at least second rate credit are accepted. The exchanges retain \$50,000 of liability and a substantial portion of the remainder is insured in London Lloyds under an excess contract. This runs 80% of the next \$600,000 over \$50,000 and 90% of the next \$1 million. In addition the reciprocals carry a surplus for \$500,000 more.

### 75-25 Outside New York

In New York, he said, savings banks decline the reciprocal policy generally, while outside of New York about 75% of them decline and 25% of them accept. He cited the replacement value endorsement as one of the policies pioneered by A.R.E., along with rents coverage on a reporting basis. The latter, he thinks, is unique with A.R.E. and is important where the lease is on a variable basis, such as sales.

Paul Smith, American Savings Bank, chairman of the forum queried those attending the meeting as to whether they require the mortgagor to furnish extended coverage. The check revealed that most all of the banks do require it on new loans and try to get it on old loans. Many require it on both new loans and extension agreements.

### Fear Explosion Hazard

This is an interesting trend and seems to result principally from anxiety over the explosion and aircraft hazard, especially in apartment houses.

It was also brought out that the FHA can deny liability in connection with a property damaged or destroyed by the perils of extended coverage, where extended coverage is not carried. On most FHA loans it is necessary to turn over the property intact. Consequently, the belief was expressed that banks should insist on the coverage in connection

with all FHA insured loans.

The forum has been asked to make up a panel of experts on bank insurance coverage for the January meeting of the New York auditors and controllers group. This will deal with what the auditors should be concerned with in the insurance coverage on the bank or in connection with property on which it loans money. The panel will consist of Fred Baker, Manhattan; Homer Smith, Seamen's; Ralph Stewart, Union Square, and Paul Smith, American.

## Kansas Fire School Set

The annual fire school of Kansas Firemen's Assn. has been set for Oct. 24-27 at Hutchinson. Speakers will include Norman H. Davis, Underwriters Laboratories, Chicago; Carl Clanton, Topeka, engineer Kansas Inspection Bureau, and Clyde Latchem, Kansas fire marshal, in addition to fire department officials and instructors.

## Kan. Mutuals Meet Oct. 27-28

The annual meeting of Kansas Assn. of Mutual Insurance Companies will be held Oct. 27-28 at Wichita. Speakers include A. V. Gruhn, general manager American Mutual Alliance, Chicago; Harry P. Cooper, Jr., National Assn. of Mutual Insurance Companies, Indianapolis; Donald A. Tripp, manager Mutual Reinsurance Bureau, Belvidere, Ill., and Commissioner Sullivan of Kansas.

## Blue Goose Initiates

A number of goslings were initiated into the New York City Blue Goose at the last meeting: Forrest McVean, Hanover; W. V. Brown, Brown Reciprocals; Sydney J. Brown, Providence Washington; Lester Burr, Underwriters Salvage; Van C. Lambert, St. Paul F. & M.; Albert N. Butler, Jr., George N. Brown & Son; John H. Wilson, American Aviation & General; Arthur C. Goerlich, Insurance Society of New York; John N. Paris and William Gorman, Automobile Adjusting Bureau; Walter Blundy, Sr., independent adjuster; Herman B. Zipser, attorney; Robert G. Planer, Graham Inspection Bureau, and William H. Ahnemann, Merchants Fire.

## M. A. Jordan Sole Owner

M. A. Jordan has purchased the interest of George H. Mercier in the Rocky Mountain Adjustment Co. at Denver. This organization will continue to be operated under the same name.

## NEWS BRIEFS

Richard E. Vernor, Western Actuarial Bureau, Chicago, spoke on "Stop Burning Your Blessings" at a joint luncheon of the Chamber of Commerce and Service Clubs of Wausau, Wis.

Ray Cory, local agent at Austin, Minn., has been reelected president of Minnesota Automobile Assn., a position he has held many years.

Milton W. Taylor has been appointed commissioner of the board of adjustment of Jersey City. He is president of the Edward M. Taylor Co. agency.

Coast Underwriters, Ltd., new Vancouver general agency, in addition to handling fire and marine business in British Columbia, will represent Switzerland General for business in Washington and Oregon.

The Earl Jordan agency of Massachusetts Mutual Life at Chicago has named L. F. Frett, local agent, as district agent at Aurora. Mr. Frett has been in the business since 1943.

R. E. Vernor, fire prevention manager of Western Actuarial Bureau, on Oct. 19 addressed the American Chamber of Commerce meeting at Seattle. The organization consists of secretaries of local chambers.

## Fire Losses Off Again Slightly

NEW YORK—September fire losses totaled \$49,678,000, according to the National Board. This was a decrease of .5% from losses of \$49,945,000 in September, 1948.

September's losses were .9% under losses of \$50,150,000 recorded in August. For the first nine months fire losses totaled \$498,227,000, a decline of 7.2% from losses of \$536,923,000 in the first nine months of last year.

The fire losses for the 12 months ending Sept. 30 total \$672,418,000, a decrease of 5.5% from \$711,576,000 for the 12 months ending Sept. 30, 1948. This latter figure was the highest 12-months' mark ever recorded by the National Board.

## C.P.C.U. Group at Wichita

A C. P. C. U. study group has been organized at Wichita with an enrollment of 15. Early meetings were devoted to types of carriers, led by W. L. Schollander, St. Paul state agent, and to legal aspects, led by Ivan Hemphill of the Woodward-Hemphill agency.

## Set 10 Hearings on Proposed Ky. Insurance Code

Copies of the proposed Kentucky insurance code have now been released and a series of hearings has been scheduled on it commencing Nov. 1. At that time the hearing will be devoted to the articles on domestic stock and mutual insurers and reciprocals. On Nov. 2 the subjects are the insurance contract and unfair practices; Nov. 3, agents other than life, solicitors, adjusters; Nov. 4, unauthorized insurers, rates and penalties.

### Subjects to Be Considered

Nov. 7, life insurance, group life and industrial life; Nov. 9, scope of code, the commissioner, general requirements; Nov. 10, kinds of insurance, property insurance and surety. Nov. 14, assets and liabilities, deposits and fees; Nov. 15, investments, mergers, rehabilitation, liquidations; Nov. 16, life insurance agents, title insurers, disability insurance and group or blanket disability.



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Commerce;  
agents; Wil-  
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## Legislation Big Topic of Ohio Agents

(CONTINUED FROM PAGE 6)

companies are beginning to realize the necessity for a more realistic approach to problems of the insurance buying public on the state level. Leland T. Powell, Mansfield, fire liaison chairman, reported that overtures have been made to elements in that field and a reasonable degree of cooperation seems possible.

It was brought out that the companies have no organization in the state that is acting in line with the local perspective. Furthering this view was the legislative report that was printed in the state agency bulletin and distributed at the meeting. The National Board was criticized as being of no help to the agents' program. Assn. of Casualty & Surety Companies, the bulletin noted, both gave and received help from the agents.

### Gluck Urges Watchfulness

A warning that government bureaucracy and pressure groups are at work to undermine the American agency system was given by Carl A. Gluck, Youngstown, in his report as retiring president. For the moment, federal health insurance has been forestalled by Congress and the Commodity Credit Corp. attack on private insurance has been warded off by the National association. However, Mr. Gluck noted that even in Ohio the legislative expression for state insurance funds found some success in a bill providing for a metropolitan park district to set up its own replacement reserves. Another bill which failed, could have done away with all private insurance companies' and agents' automobile business.

Within the business itself, Mr. Gluck asserted that the agency system is threatened, mentioning the Pennsylvania action on which filings were approved on the premise that agents' commissions will be reduced. The term rule modifications promulgated by

SEUA and approved in four southern states point a trend which may well by-pass the agent and tend to bring about direct relationship of the insurer and the insured.

The success that the Ohio agents achieved in legislative matters last year has focused attention on the state, he said, urging that the agents continue their reputation.

Mr. Gluck presided at this meeting. A progress report on the national association was given by James F. Van Vechten, who outlined the important issues facing that body. The term rule is the big problem of the day on the national level, he asserted.

Mr. Gluck reported membership in the association as of August 31 was 1,467.

### Disability, Auto Fund Threats

Enactment of some form of disability benefits law by the 1951 Ohio legislature is almost a foregone conclusion, while there is a serious possibility of compulsory state monopoly auto liability fund getting enough support for passage, the agents were told at the legislative panel discussion by John F. Cantwell, Youngstown; Ralph Humphrey, Ashtabula, and J. Frank McClure, Loudonville. All are agents and all were members of the house at the last session, Mr. Cantwell being speaker. Mr. Humphrey is a member of the commission appointed to study the need for a TDB law. Hugh Dawson, Cleveland, chairman of the association legislative committee, acted as moderator.

The need for action now on these proposals is urgent, the speakers agreed. Ohio already has a monopolistic workmen's compensation state fund, the public is accustomed to having the state in the business, while employers and labor are united in opposing change in

the present law. There is danger that any TDB law would swing the state fund idea for that reason, and the back door is also open to state fund auto liability cover.

### Hope for Optional Plan

Mr. Humphrey urged the agents to inform themselves on disability insurance and then get the ears of employers and doctors on the matter. Opposition must be well organized on this score before the crisis arises. He said the New York type law is probably the best that can be expected.

Mr. Cantwell voiced the hope that an optional plan might pave the way for change in the compensation monopoly allowing private companies a chance.

Support for state fund auto insurance and state fund public building fire insurance is more serious than many people believe, Mr. McClure declared. These measures are certain to come up again, he added, predicting their passage if more effective opposition is not forthcoming than hitherto presented. An excess judgment bill passed the senate at the last meeting, but died a slow death in the house.

Mr. McClure said he had expected a descending horde of companies when that bill came up in the house committee, but only two appeared. The burden of argument was left to the agents.

### Look on Insurance as Whole

The legislature, he stressed, looks upon insurance as a whole and does not differentiate between stock and mutual, agency and direct writers. The companies stand to lose heavily in Ohio in 1951 and must be alerted to be on the job. Ohio Farm Bureau, he said, has prepared a list of legislators showing how they voted on insurance issues. The company is familiar with the assembly members.

An analysis of the auto dealers licensing bill was given by Paul R. Gingham, general counsel of the association. He traced the history of the measure and said the new law is due for a couple of court tests before the agents can rest on their laurels.

Messrs. Gray and Gluck came in for bouquets from every speaker on the panel for their efforts in behalf of the dealers bill. This was the crowning legislative accomplishment of the agents on a problem they have been working at strongly since 1943.

### Use of Assigned Risk Plan

Ray H. Miller, manager Ohio Automobile assigned risk plan, and Arthur M. O'Connell, Cincinnati, spoke on the automobile panel over which Ellis Roberts, Springfield, presided. Mr. Miller gave some practical advice on the use of the assigned risk plan, and related the details of its operation.

He presented figures to show that the plan has experienced a sharp increase in use in the last two years. He warned the agents and companies not to take assigned risks lightly. The plan provides an outlet for thousands of persons who otherwise could not have gotten insurance. It is the duty of agents to help auto owners, he emphasized, without consideration of the reduced commission. The youthful driver written today may well be policyholder of tomorrow.

Mr. Miller was asked about the experience of the companies on assigned risks, and he reported that from 1943 to 1947 premiums of about \$156,000 and losses of \$91,000 produced an earned-incurred loss ratio of 58.1. The 1947 loss ratio was 57%.

Remarking that he was making no suggestion as to underwriting policies, Mr. Miller stated that automobile experience generally has improved and there is talk of rate reductions. At the same time there is a great increase in the number of assigned risks. The situation may be due, he observed, to company underwriting policies, or to the fact that agents are making more use of the plan.

In his explanation of how agents should and should not handle assigned

risks, Mr. Miller related some of the troubles his office faces. Agents cannot control the placing of the risk, he said, and it will do them no good to ask that a policy be written in "X" company, "because they just cancelled off this risk and I want to see them get it back."

The talk of Mr. O'Connell summed up in masterful fashion the issues of the day. He warned that the agents must be prepared long before the next legislative session to promote beneficial bills and to oppose inimical measures, which, he predicted, are certain to come up again, perhaps more forcefully than ever.

A local board conference with R. R. Schryer, Lima, association trustee, was sandwiched in the schedule before the banquet.

### Revere Trophy to Dawson

The Paul Revere trophy donated by the Cleveland board to the Ohio agent contributing most to the welfare of the agency business, was presented to Hugh Dawson of Cleveland, who last year was chairman of the legislative committee, by Walter H. French, Zanesville. This is the highest state award. The association also gives "certificates of recognition" to members contributing to the aims of the group, and this year 27 such certificates were handed out. The extra large number was the result of the aid of so many members in legislative matters.

Past President C. C. Rudibaugh, Youngstown, presented Retiring President Carl Gluck, Youngstown, a hunting rifle. He explained that he and Mr. Gluck have hunted in the Allegheny National Forest every December since 1937 and Mr. Gluck has yet to bag a deer. Mr. Gluck in accepting the award, promised to do better with his new equipment.

Secretary T. M. Gray was given a tremendous ovation after past president H. S. Boynton, Toledo, who was toastmaster, called upon him to take a bow.

One of the extra-curricular activities of the meeting was a luncheon of the young agents committee. This is a group of younger members that has organized itself within the association under the direction of James H. Merritt, educational director and assistant to T. M. Gray, and conduct their own educational meetings, etc. Several of the domestic companies have evinced high interest in helping these young men in becoming better agents. The luncheon was sponsored by Buckeye Union.

While legislation was the big topic on Tuesday, the Monday sessions were devoted to underwriting and sales. Panels were held on farm business, legal liability and U. & O. and burglary sales. They are reported elsewhere.

## Off the Cuff


Helping out at headquarters at the meeting of Ohio Assn. of Insurance Agents was Theodore M. Gray, Jr., son of the Ohio association executive secretary. Ted junior is with the Frank McCulloch agency of Piqua, O. He has just started in the insurance business after graduating from Ohio State University only a few months ago.

Fidelity & Deposit was very much in evidence. The company had a display on the mezzanine of the Miami Hotel, gave notebooks to registrants, and furnished a speaker for the program. The delegation was led by E. K. Jamieson, Cleveland resident vice-president, and included Carroll F. Herwig, Cleveland manager; William Shaw, Cincinnati manager who addressed the sales conference, and Robert C. Bollens, Grant P. Emerick and Charles T. Beach, special agents.

The headquarters of Aetna Fire was manned by Rush W. Carter, assistant western manager; Harold Scott, farm superintendent; N. B. Berry, state agent; W. H. Witherspoon, associate state agent; T. E. Gorman, farm special agent; Jerry Jerome, marine special agent, and Verne Hart, special agent. Messrs. Carter and Hart had distinguished places on the convention program.

Martin J. Wys, secretary, and F. C. Myers, Dayton manager, represented the Ohio Casualty, while James Lecky, vice-president, was on hand for Ohio Insurance.


Robert R. Wilkinson, special agent,



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was the representative of Rain & Hail Bureau.

Ed. D. Lawson, vice-president and western manager, led the Fireman's Fund contingent. The group included Charles Martell, western marine manager; Charles Mullican of the Chicago office; Kenneth Hoag, state agent, and Special Agents Elmer Sherman and Richard Moore. Leonard Davis, special agent, was on hand for the indemnity company.

Herman P. Winter, assistant secretary, and W. M. Speth, Ohio examiner, headed the American Fore delegation which included the entire Ohio field force of twelve.

In charge of the Royal-Liverpool headquarters were Vern T. Bartlett, agency secretary; R. C. Walker, regional manager, and J. W. DeCessna and G. H. Allen, state agents.

L. N. Bowen, assistant western manager, and State Agents Fred G. Bell and Carl M. Hall were on hand for National Fire.

Zarich headquarters were manned by Robert D. Hodson, superintendent casualty sales division; C. E. Vursell, Cleveland manager, and A. V. Harris, field representative.

Charles J. Moore, special representative of American Fidelity Fire, attended the meeting.

Gordon Eason, vice-president, headed the group from Wolverine that included Harold Moore, superintendent of auto sales; P. H. Moorman, Ohio manager, and Herbert Hardisty and Al Newson, special agents.

The Corroon & Reynolds group representatives were Carl H. Bundow, executive special agent, and John Wrigley and L. I. Addison, special agents.

American Automobile's delegation consisted of Cameron A. Sanders, Ohio resident vice-president; Joseph S. Borie, Jr., Cincinnati underwriting manager; Richard L. Burton, Stanley A. Sullivan, and Donald Sandman, field representatives, and Gerald F. Farwick, auto liability underwriting superintendent at Cincinnati.

John C. Onderdonk, vice-president of American and Bankers Indemnity, attended with James Crowley, vice-president in charge of Ohio at Cleveland.

Joseph L. Goetz was general chairman of convention arrangements, and he was busy receiving congratulations for putting on what was generally conceded to be the best meeting the association has had.

J. C. Hiestand, secretary, was in charge of the group from Ohio Farmers. The field force was represented by W. W. Waters and Dwight Montgomery, executive state agents, and Donald Fessler, Bruce Smith, James Martin and Fred Evans, special agents.

The record attendance at Dayton caused a spreading out of the company headquarters. The association attempted to get as many agents as possible in the Miami Hotel, and as a consequence the majority of the company men were located in nearby hostels. This situation caused no noticeable diminution of visiting.

## Fireman's Fund Changes

John Harrison has been named special agent in charge of all lines in the San Diego field office of Fireman's Fund. He succeeds A. N. Bushnell who is under the retirement program. Mr. Bushnell has been with Fireman's Fund 22 years.

Robert G. Culbertson of the fire department at Los Angeles, will be transferred to San Diego, as special agent.

Mr. Harrison joined Fireman's Fund as a special agent in 1948. He is a graduate of Northwestern University.

Mr. Bushnell started with Pacific Board in 1909. Later he was in the local agency business at Bisbee, Ariz. From 1917 to 1920 he traveled out of Great Falls, Mont., then transferred to Salt Lake City, and in 1927 he opened the first office of Fireman's Fund at Fresno. In 1930 he transferred to Los Angeles and in 1948 he helped celebrate the opening of the San Diego office.

## American Names Field Pair

The western department of American of Newark has named George W. Swabon special agent at Detroit and Robert W. Simonson special agent at St. Louis. Mr. Swabon has been with Michigan Inspection Bureau for several years. Mr. Simonson has been an underwriter for the past year in the marine department at Rockford.

W. L. Schollander, St. Paul state agent, Wichita, addressed the annual meeting of Kansas abstractors at Topeka on "Abstractors Liability."

## Give Program for Claims Conference of Mutual Men

At the claim convention of Conference of Mutual Casualty Companies at Chicago Nov. 17-18, the subject of "Excess Liability" will be treated by William P. Harper of Farm Bureau Mutual Auto; "Use of Correspondence in Public Relations," by Berthold Woodhams, Citizens Mutual Auto of Howell, Mich.; "Use of Field Adjusters in Building Public Relations," by H. E. Olerich, Iowa Mutual Liability; "The Handling of Property Damage Claims," by Arthur Brenneman, State Farm Mutual Auto; "The Handling of Policyholder Claims," by M. E. Foltz, Farm Bureau Mutual Auto.

Also: "Products Liability Claims," by William P. Jamieson, Auto-Owners; "Common Law Defenses to Farm Liability Claims," R. R. Collins, Allied Mutual Casualty; "Financial Responsibility Laws," C. B. Robison, Ekern, Myers & Matthias, Chicago.

"Litigation — Legal Expense," by Joseph M. Bray, Harleysville Mutual Casualty; "Adjustment of Property Damage Losses," Julian E. Smith, Equity Mutual; "Subrogation and Salvage," Frank A. Ellis, Farmers Mutual Liability, Indianapolis; "Adjustment of Policyholder Claims," G. F. Alcott, State Farm Mutual Auto.

## Ambitious Educational Program in Oregon

PORTLAND—Oregon Assn. of Insurance Agents started a comprehensive insurance study course this month with large classes meeting twice a week here and at Eugene. Outlying agencies participate by correspondence. The fire insurance lines will be covered in the fall and winter and casualty and surety follow in the first half of 1950.

The instructors who will conduct the 21 sessions on property insurance for the Portland association include Fred Gatter, Grossmayer & Co.; M. F. Penfield, Royal-Liverpool; R. L. Knapp, Phoenix of Hartford; E. O. Zorn, Oregon General Agency; D. P. Lawrence, Great American; Duke Brown of Cole, Clark & Cunningham; Ralph Fullerton of James McI. Wood, West & Co.; H. A. Ballin, Jr., Home; William Reinhardt, Founders F. & M.; R. J. Burke, Deans & Homer; C. V. Patterson, Norwich Union; S. M. Dunning, Royal-Liverpool.

## South Carolina Agencies Have Banner Meeting

(CONTINUED FROM PAGE 3)

able to bring a vivid and realistic view of just what a pilot does during weather below flying standard to bring his ship safely into the runway.

Tom Boate, director of public safety for Assn. of Casualty & Surety Companies, was the last speaker and held the close attention of a full audience while he described the efforts the association is making in connection with the traffic accident problem.

The new inland marine film, "Found Money," was shown.

The convention was closed with the cocktail party, banquet, floor show and dance. More than 400 were present at the banquet, making it necessary to set up overflow facilities.

## Wolff Has Buyers Rally

More than 100 Indiana buyers of insurance were in attendance at the Herman C. Wolff insurance educational conference at Indianapolis. Speakers included R. A. Robert I. Catlin, vice-president of Aetna Casualty; M. S. Dunne, vice-president and chief underwriter of American Associated; D. L. Breting, assistant secretary Underwriters Laboratories, Graham Watts, secretary Royal-Liverpool; R. V. Cherry, assistant secretary Western Adjustment; H. A. Bull, superintendent group division of Aetna Life; and J. E. Beahn, vice-president of American Credit Indemnity.

## Ky. State Cover Is Increased \$27 Million

FRANKFORT, KY.—The insurance on the 2,000 state buildings in Kentucky has been increased \$27,702,918 to a total of \$87,250,918.

A Chicago firm of appraisal engineers was hired to do most of the survey. To date, about \$15,000 has been paid for this work.

Premiums paid on the \$59,548,257 valuation of last year totaled \$349,780. Premiums on the higher valuation for this fiscal year will amount to \$302,607.

The reduction in premium is traceable chiefly to putting higher valuations on fire-resistant buildings.

Approximately \$45 million is covered by the state fire and tornado insurance fund. The other \$42 million is scattered among local agencies. The state fund is limited to not more than a \$200,000 risk on each building.

Under the law, state property must be insured for at least 90% of its fair cash value. The survey revealed that practically all of the property was underinsured.

## Dickson Moved to Dallas

Scott C. Dickson, assistant casualty manager of Travelers for Kansas and western Missouri with offices at Wichita, has been transferred to Dallas. John K. Schmit, Kansas City field assistant, has taken over Mr. Dickson's former Kansas field.

## Hoppas to Home Indemnity

Home Indemnity has appointed Norman E. Hoppas manager at Indianapolis. He formerly was with the Loyalty group in Indiana from 1932 to 1946 as a special agent and then served Ohio Casualty in the same capacity 1946 to 1949.

## Safety Staff Enlarged

S. Kirklen Collins has been appointed to the staff of the accident prevention department of Assn. of Casualty & Surety Companies. He will devote most of his time to high school driver education. He was at one time head of the safety department of Shell Development Co. He subsequently became an industrial field representative for National Safety Council. Later he joined the safety education bureau of the California department of motor vehicles. More recently he has been a member of the staff of New York University's ACSC-endowed Center for Safety Education.

## Fla. Hearing on Term Issue

Commissioner Larson has called a hearing of all those interested in the installment payment of term premiums at the Florida department office at Tallahassee at 10 a.m. Oct. 31.

## Wilson Before Risk Institute

A. M. Wilson, group A. & H. underwriting manager of Liberty Mutual, will discuss compulsory disability insurance and workmen's compensation before Risk Research Institute at New York City Oct. 27.

## Pelton Investment Head

Appointment of Robert B. Pelton as investment manager of Allstate is announced. He was manager of the municipal bond department of F. S. Mosley & Co., Chicago. He attended University of Minnesota.

## West Bend Enters Iowa

West Bend Mutual Fire of West Bend, Wis., has had its rates approved by the Iowa department and has begun appointing agents in that state. West Bend is also licensed in Illinois, Michigan, Indiana, Minnesota and Wisconsin.

Alan O. Robinson, executive vice-president of Yorkshire Indemnity, is returning next week from England after several weeks visit at the head office.

## THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



**The Phoenix**  
Insurance Company, Hartford, Conn.  
1875

**The Connecticut**  
Fire Insurance Company, Hartford, Conn.  
1850

**FOUTABLE**  
Fire & Marine Insurance Company  
PROVIDENCE, R.I.  
1859

ATLANTIC FIRE INSURANCE CO.  
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.  
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.  
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.  
Minneapolis, Minn.

RELiance INS. CO. OF CANADA  
Montreal, Canada



HARTFORD  
30 Trinity Street

CHICAGO  
Insurance Exchange

NEW YORK  
110 William Street

SAN FRANCISCO  
220 Montgomery Street

MONTREAL  
485 McGill Street



All Forms of Fire and  
Property Insurance including  
Ocean and Inland Marine  
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

## New N.Y.C. Insurance Building

A new 21-story office building is projected for New York City's insurance district at William and Ann streets by Samuel Friedenberg, builder. To be known as 161 William street, the building will cost about \$2,600,000 and will contain 1,800,000 cubic feet. Air conditioning will be available if desired. It will be completed late in 1950.

## WANT ADS

## SENIOR IBM—PROCEDURE WRITER

One of the largest progressive midwestern insurance firms offers an opportunity for a man under 40 with managerial ability and knowledge of ALL IBM MACHINES. Prefer a college graduate who has thorough knowledge of insurance business. Give complete personal, educational, and work histories. All replies confidential. Address W-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

**SALESMAN**—Expanding, direct writing fire insurance company needs capable salesman for productive Virginia territory. Extensive traveling required. Age 23-35; 2 years college; insurance experience desirable. Full training at company expense. Salary, commission, expenses and car furnished. Tell us about yourself: age, previous employment, education, three references. Send photo. Replies confidential. Address W-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## SPLENDID OPPORTUNITY

for  
**SOUTHERN ILLINOIS**  
**FIRE AND CASUALTY SPECIAL AGENT**  
(State age and past experience when replying.)  
**AMERICAN INDEMNITY COMPANY**  
P. O. Box 1258 Galveston, Texas

## FIELD REPRESENTATIVE

by aggressive Stock Fire Company for Ohio. Unusual opportunity for experienced man with ambition. Knowledge of inland Marine helpful. In reply state age, experience and other pertinent information. Address W-25, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## ADJUSTER

Experienced in fire and marine to take full charge of small office well established. Excellent opportunity. Replies held strictly confidential. Address W-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED FOR KANSAS

An experienced casualty and fire insurance salesman who has a background including claims adjusting. Must be capable of managing service office at Topeka and developing field. Good opportunity for person of ambition. Salary, car and expenses furnished. Address W-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Assistant Fire Counterman — 24 to 30 years of age — excellent opportunity. Some Cook County experience required. Glens Falls Insurance Co. — WAbash 2-2158 — Mr. Schweers.

## WANTED

By an old well established Chicago General Agency, an experienced Ocean Cargo and inland Marine Insurance man—age 30 to 40 preferred—to assume complete control and operation of department. Excellent opportunity for right man. State qualifications, experience and salary expected. Address W-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

A general casualty and a general fire company for sole representation State of Virginia by Old Established Agency. Can offer good number of agency plants, with fast expansion due to our set up. Address W-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## NEWS OF FIELD MEN

## Shepherd Heads La. Field Men's Body

Alvin Shepherd, general agent of New Orleans, was elected president of Louisiana Fieldmen's Assn. at the annual meeting at New Orleans. He succeeds Jules Simoneaux of the Henry A. Steckler general agency.

Other new officers are: Vice-president, H. A. Foster, Automobile; secretary-treasurer, Edward O. Kennedy, American. Named to the executive committee were A. P. Cunningham, America Fore; James A. Howe, Turner general agency, and Mr. Simoneaux.

## Collins Miss. Chief

Foster E. Collins of the Holland & Gates general agency, has been elected president of Mississippi Field Men's Assn. Vice-president is Chesley V. Price of Home; secretary, C. L. Ward of Automobile.

The association has accepted the invitation of the mayor of Jackson to conduct a fire prevention inspection of all public gathering places there and plans are being made under the direction of J. D. Holland of St. Paul F. & M.

## Mont. F.U.A. Picks Wolfe

The Montana Fire Underwriters Assn., meeting at Boulder, Mont., elected Wilbur Wolfe, Home, as president; Del Cawley, vice-president and L. A. Panger, St. Paul F. & M., secretary-treasurer.

Mr. Wolfe reappointed J. R. Carmichael, American National, as head of the public relations committee and Mr. Carmichael was given a vote of thanks for his work on this committee in the past. Named to assist him were K. H. Burrell, Fireman's Fund; S. L. Hjermstad, Automobile; W. G. Bloomdahl, Hartford Fire and R. S. Aitken, Home. Mr. Carmichael said those members who had given their consent to making talks before community groups would be called on soon to begin this work and that this would be the prime objective of the association for the year.

The annual meeting is to be held at Missoula on April 7. Present from the Pacific Board were Harry F. Badger, executive secretary and David Thomas, engineer. Also on hand were R. J. Larrabee, Underwriters Laboratories, Seattle, and Charles W. Cook, manager of Montana Fire Rating Bureau.

## Hospital Safety Program

The executive committee of Missouri Fire Prevention Assn. has approved an educational program of fire safety in hospitals which it is hoped will be adopted for use in the entire state by the State Hospital Council.

The program is the result of work done by M. W. Broockmann, National Fire, and his hospital committee with the cooperation and complete accord of the Hospital Council of Kansas City.

In announcing the state-wide plan, which has been set up in great detail, H. E. Johnson, Jr., Aetna Fire, association president, stressed that it is not intended that this program will be in any manner a substitute for the nationwide hospital program of the National Board but will be used in connection with that program and supplementary to it.

## Dithmer Addresses Mich. F.U.A.

The first full meeting of Michigan Fire Underwriters Assn. was held at Detroit at which committees were named.

The business session was followed by a public relations luncheon at which Walter G. Dithmer, field supervisor of Western Underwriters, spoke. Members of the Michigan Bureau Field Club were also in attendance.

## Anthracite Club Inspection

The Anthracite Field Club of Pennsylvania will hold a dinner meeting on Oct. 25 at Wilkes-Barre. The following day there will be an inspection of Tunkhannock by the anthracite division of the state fire prevention association.

John L. Vorse, Royal-Liverpool state agent, Wichita, president of Kansas Prevention Assn., addressed civic clubs and schools at Lindsborg and Salina during Fire Prevention Week. He also showed the film, "More Dangerous Than Dynamite."

The Wichita Blue Goose Auxiliary has inaugurated quarterly luncheon meetings in place of the former monthly gatherings and is holding its fall meeting Oct. 20 with Mrs. D. M. Quinn, president, in charge.

## R. T. Kanaley's Change

Richard T. Kanaley, metropolitan supervising agent in Chicago, is now operating as Richard T. Kanaley & Co. in new offices in the Insurance Exchange building. He was formerly a partner in the James L. Kanaley & Co. agency, which has operated there for many years. The firm will represent the Pennsylvania Fire, New York Fire, Franklin National, Connecticut Fire (marine), American Associated and the Preferred Accident.

## Home Makes Coast Shifts

Home has transferred Special Agent Albert L. Greefens from Fresno to the newly opened office at Reno, which will be under the general supervision of the San Francisco office. The Reno establishment will expand service to agents in western Nevada and adjacent California territory.

Special Agent Albert G. Norris replaces Mr. Greefens at Fresno. Mr. Norris formerly was chief underwriter at San Francisco and has been a special agent since 1947.

## Cites Air Liner's Cover Costs

Eddie Rickenbacker, president and general manager of Eastern Air Lines, said in a recent talk before the American Life Convention that his company spent \$2,600,000 on insurance premiums during 1948. This is equivalent to the air line's revenues from air freight and air express combined.

Morgan P. O'Brien, Jr., attorney with the Livingstone Adjustment Service, is addressing a dinner meeting of Springfield, Ill. Assn. of Insurance Women Thursday on "Claim Operations and Investigations."

Weston Dressel of Belpre, O., has reentered insurance as a partner in the R. H. Morris agency, which will now be known as Morris & Dressel.

## Public Relations Program Marks Agency's Anniversary

The Moore & Wright Co. agency, Port Huron, Mich., celebrated its 25th anniversary with an elaborate public relations program. Edward R. Moore, a former president of Michigan Assn. of Insurance Agents, heads the agency, which occupies its own office building.

Conducted tours were staged throughout the week to acquaint visitors with the varied operations of a well-equipped general agency. A special "Industry Day" and a "Merchants' Day" were staged, while the third day of the open house was set aside for clients, friends and the general public.

## N. D. Studies State Auto Plan

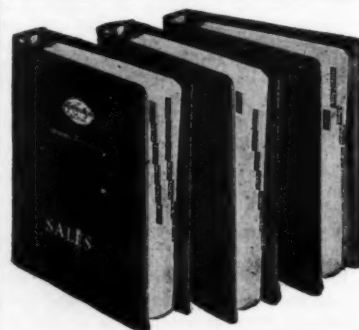
BISMARCK, N. D.—State fund automobile liability insurance is in the discussion stages in North Dakota. Meetings are being scheduled throughout the state by the legislative research committee to determine if the state should enter this field, following a resolution passed by the 1949 house of representatives. Carroll Day, chairman, said the group will visit Saskatchewan, Canada, to study an auto liability plan in effect there.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago  
Oct. 18, 1949

	Div.	Bid	Asked
Aetna Casualty .....	3.00	37 1/2	39 1/2
Aetna Fire .....	2.00*	59	61
Aetna Life .....	2.50*	68	70
American Alliance ...	1.10*	24 1/2	26
American Auto .....	1.60	48	Bid
American Casualty ..	.80	14 1/2	15 1/2
American (N. J.) ....	.90	21	22
American Surety .....	2.50	60	62
Boston .....	2.40	67 1/2	69
Camden Fire .....	1.00	21 1/2	22 1/2
Continental Casualty ..	2.00	59 1/2	61
Fire Association .....	2.50	73 1/2	75 1/2
Fireman's Fund .....	2.50	89	91
Firemen's (N. J.) .....	.50	18 1/2	19 1/2
Glens Falls .....	2.00*	54 1/2	56 1/2
Globe & Republic .....	.50	11 1/2	12 1/2
Great Amer. Fire .....	1.30*	37 1/2	38 1/2
Hartford Fire .....	2.50*	104	106
Hanover Fire .....	1.40	35	36 1/2
Home .....	1.40	33 1/2	34 1/2
Ins. Co. of N. Am. ....	3.50*	116	118
Maryland Casualty .....	.50	16 1/2	17 1/2
Mass. Bonding .....	1.60	29 1/2	31
Merchants Fire, N. Y. ..	1.15*	31 1/2	32 1/2
National Casualty ...	1.45*	30	31 1/2
National Fire .....	2.00	59	61
National Union Fire ..	1.40	39	41
New Amsterdam Cas. ..	1.20	38	40
New Hampshire .....	2.00	46	47 1/2
North River .....	1.20*	27 1/2	28 1/2
Ohio Casualty .....	1.20	52	Bid
Phoenix, Conn. ....	2.00*	97	99
Preferred Accident .....	1.40*	4 1/2	5 1/2
Prov. Wash. ....	1.40*	36	37 1/2
St. Paul F. & M. ....	2.25*	93 1/2	96 1/2
Security, Conn. ....	1.40	37	39
Standard Accident .....	1.45	37	38 1/2
Springfield F. & M. ....	1.90	49	51
Travelers .....	22.00*	780	790
U. S. F. & G. ....	2.00*	58	60
U. S. Fire .....	2.00	65 1/2	67 1/2
Westchester Fire .....	1.00	22 1/2	23 1/2

\*Includes extras.



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# NEWS OF THE COMPANIES

## Gulf to Have Stock Dividend

Gulf of Dallas has paid an extra dividend of 35 cents in addition to a quarterly dividend of 35 cents, bringing the total distribution this year to \$1.75. In 1948, the quarterly dividend was 30 cents and there was an extra of 30.

Stockholders of Gulf will hold a special meeting Oct. 28 to pass on the recommendation of directors that the capital be increased from \$1,300,000 to \$1,400,000 by payment of a stock dividend of \$100,000. This would be distributed at a ratio of one new share for each 13 shares now held.

## Birmingham of Ala. to Add \$200,000 to Resources

Capital-surplus resources of Birmingham Fire of Birmingham, Ala., are being increased by nearly \$200,000 through the sale of additional stock. Holders of record Oct. 5 are given rights to purchase 10,000 new \$10 par value shares at \$20 per share in a ratio of one new share for each three shares held. Thus, \$100,000 will be added to capital, increasing the amount to \$400,000, and the balance less expenses of about \$10,000, will be credited to net surplus.

## T. J. Ross on Home Board

T. J. Ross, senior partner of the firm on Ivy Lee & T. J. Ross, one of the most prominent public relations organizations in the country, has been elected a director of Home, succeeding the late John A. Stevenson, who was president of Penn Mutual Life.

## American Elevates Cosgrove To Assistant Secretary

American of Newark has appointed John N. Cosgrove assistant secretary. Mr. Cosgrove has been director of public relations and education and will continue these duties.

Mr. Cosgrove studied at St. Francis College and the New York University school of journalism. He was a sports reporter for the "Brooklyn Eagle" and the "New York Times." After 13 years in the accounting, underwriting and advertising departments of the American Reserve, he joined Eagle Star as state agent for New York, later going with American as special agent in northern New Jersey.

Mr. Cosgrove became editor of the "American Agency Bulletin" in 1945 and later was on the insurance editorial staff of the "New York Journal of Commerce." He was named director of public relations for American in 1947 and director of education in 1948.

## Jack Ringwalt Forming Fire Company in Neb.

LINCOLN—Articles of incorporation have been filed for National Fire & Marine of Omaha. The authorized capital would be \$500,000. The incorporators are persons closely associated with Jack D. Ringwalt, who is a local agent of Omaha and also is president of National Indemnity of that city.

## Broomall Is Promoted

Thomas H. Broomall has been appointed as assistant counsel of Fire Association. He is a graduate of Swarthmore and the law school of University of Pennsylvania and has been with the legal department of Fire Association since 1945.

## Blue Ridge to Hike Capital

Stockholders of Blue Ridge Ins. Co. of Shelby, N. C., have voted to increase capital by selling 12,560 shares of authorized but unused capital stock. When the issue is sold, the capital of Blue Ridge will be increased to \$500,000.

## CHICAGO

### FISHER HEADS MARINE DEPT.

Lawrence R. Fisher has taken over charge of the marine department in addition to his duties as manager of the fire department of Rockwood Co., Chicago. Mr. Fisher joined the agency in January of this year after having spent 22 years with Travelers in Chicago and Kansas City. He is an alumnus of Northwestern University.

James E. Dibelka, Jr., has joined the marine department of the agency. After graduating from Northwestern University and service in the army air corps, Mr. Dibelka spent three years with North America in Chicago.

### VANER MADE VICE-PRESIDENT

Anton T. Vanek, for 13 years special agent for R. A. Napier & Co., Chicago, has been named vice-president of the agency. Before joining the agency Mr. Vanek was for 10 years in the insurance department of his father's real estate firm, Anton Vanek & Sons.

### DISTAFF HEARS MISS HAND

The Insurance Distaff Executives Assn. of Chicago is meeting the evening of Oct. 20 to hear Miss LaVerne Hand, first president of the club, report on the meeting of the National Assn. of Insurance Women at Miami Beach.

Florence M. Manson, Youngberg-Carlson Co., past president, has been elected chairman of the executive board.

Mrs. Sadie M. Hoffman, Underwriters Laboratories, has been appointed regional chairman of public relations for N.A.I.W.

## MOVIES AT BUYERS' MEETING

The October meeting of the Midwest Insurance Buyers Assn. Thursday night includes a talk by John A. Neale, vice-president and chief engineer of Underwriters Laboratories. In conjunction with his talk, Mr. Neale will show movies. Also on the program is W. W. Hamilton, manager of the Chicago Board, who will give a resume of late developments from the legal aspect of the insurance business.

## Sixteen Past Presidents to Be Feted at Ill. Rally

Exceptionally large attendance is expected for the 50th anniversary convention of Illinois Assn. of Insurance Agents at the Pere Marquette hotel, Peoria, next Monday and Tuesday. A large number are planning to arrive on the scene Sunday so that this will be an important day for fraternizing. Among the subjects for discussion during the business sessions are the question of installment payment of the term premium and the automobile rate situation in Illinois, with particular reference to the fact that National Automobile Underwriters Assn. has not yet made rate filings.

The Illinois agents are particularly interested in hearing the message of Harry E. McClain, who is secretary of the Indiana agents association. The Indiana meetings regularly bring forth an attendance of more than 1000 and leaders in Illinois are much interested in getting tips from him on the methods that he employs to keep the Indiana group on its toes.

It is expected that 16 of the 17 living past presidents will be on hand for the banquet, they being: A. J. Anderson,

Kewanee; James J. Beattie, Rockford; Frank J. Budelier, Rock Island; Lyle H. Gift, Peoria; William H. Jennings, Bloomington; Alvin S. Keys, Springfield; Shirley E. Moisant, Kankakee; J. M. Newburger, Chicago; Clarence S. Pellet, Chicago; Merle A. Read, Joliet; Ross C. Sherman, Waukegan; Russell L. Sprouse, Springfield; W. Herbert Stewart, Chicago; George North Taylor, Streator; Robert W. Troxell, Springfield, and N. McCullough Winters, Quincy.

W. A. Bartlett, formerly of Galesburg, is the seventeenth and he has not been heard from.

## Await Orders of State on Tex. Mandatory Deductible

The decision of Judge Roberts at Austin, holding that the Texas department lacks authority to require the use of a mandatory deductible for wind and extended coverage, will be appealed, and unless the department issues an order to the contrary, the deductible will be continued until the higher courts have spoken. Many public hearings were held before the deductible was ordered and representatives from business organizations at Galveston and Houston asked the board to authorize the mandatory deductible so that insurance would be available in their areas. The board had said that it had only the alternatives of authorizing a mandatory deductible or increasing the windstorm rates to a point that would make the coverage almost prohibitive. Most of the opposition has been against the mandatory provision, the opponents contending that the deductible should be optional with the higher rate applying only to policies without the deductible.

United Benefit Fire is seeking admission to California.

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AND INDEMNITY COMPANY**  
**HARTFORD LIVE STOCK  
INSURANCE COMPANY**  
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Sample copy on request.



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SENTINEL FIRE INSURANCE COMPANY SPRINGFIELD, MASS.  
MICHIGAN FIRE AND MARINE INSURANCE COMPANY DETROIT, MICH.  
NEW ENGLAND FIRE INSURANCE COMPANY SPRINGFIELD, MASS.

**OF FIRE INSURANCE COMPANIES**

## EDITORIAL COMMENT

### Autumnal Executives

A septuagenarian chief executive of a major institution that insisted on stepping out of his position, but at the same time was impressed into service as head of another important enterprise, was asked why he had removed himself from the first position. His reply was that years ago when he had been brought into the organization to take command, he had on his hands a pronouncedly antiquated set of officers and others in supervisory positions and he was charged by the directors to correct that situation, as his first important task. He recalls that in a year and a half he brought about the retirement of 150 officers and supervisory personnel.

Hence, he concluded, having founded his administration on such a policy, it would be inconsistent for him to remain in charge beyond his present age.

He also commented on the elevating effect on the organization of his retirement. It was not merely a matter of one man stepping into the presidency, for the advancement of that man required a promotion and so on down the line so that in all 18 men gained improvement in position and salary.

All of these men, he observed, are possessed of a new zest for their work, they are making a greater contribution and the esprit de corps is decidedly enhanced. Several of those that were promoted were close to 60 and he remarked that if he had stayed on just a few years more, men of that age would

then be so close to the normal retirement age, that they would naturally be passed over when it came to promotion and they would have missed their opportunities.

He also remarked on the fact that with a policy of certain retirement at a specified age in an organization there is a better chance of holding the kind of talent that constitutes the best assets of a company. For instance a man in a second position, who has every reason to expect to graduate to the No. 1 spot, is much more likely to remain and resist the lure of other offers if he is able to count the years until his advancement rather than being dependent on the pleasure and health of his superior.

It is rare for a man so situated to be so completely objective in his appraisal of himself and his place and to proceed without ado to apply his logistics to himself.

Very often, perhaps more often than not, a chief executive of advanced years but in full vigor, by carrying on, can produce for a company during that final period better results than if a new team should take the field, but in the long run the problem of the transition is but accentuated, because the sophomores have not been given their opportunity to make their mistakes and learn their lessons, before the day of death or incapacity catapults them into the command.

### Considering Changes in Term

The term rule is under scrutiny by fire companies and supervisory authorities. There is a disposition to regard the 16 2/3% discount for three year and 20% for five year business as too large, and it seems likely that some changes eventually will result.

Several suggestions are being weighed within the business itself and these probably include modifications that will be effected. Among these suggestions are the following:

Elimination of the five year term altogether because it ties up a company too long for rating and underwriting purposes, considering the rapidity of modern economic developments. In addition to this and the large discount, companies are questioning its value from a practical standpoint. It is said to represent only about 15% of total company volume and is mostly confined to dwellings and furniture.

An insurer's business would be more flexible and more responsive to changes if only 3- and 2-year term business were written. On this companies would give a flat 10% off, but all classes would be subject to the term privilege.

Rules that exclude certain classes from term and permit others might be held unfairly discriminatory. There might be two cotton gins: One can buy coverage for a term, if it is fire resistive; another cannot, because it is not fire resistive. An ice house may be excluded, but a dwelling adjacent is allowed the term rule. In certain jurisdictions the rules exclude unprotected ice houses, hay and grain in stacks, idle manufacturing plants, grain elevators, unprotected sawmills, and so on. Practically all sprinklered risks are subject to the term rule; the contents of most classes are excluded.

Yet eligibility to term has followed

underwriting judgment as to desirability. The theory is that business written for more than one year is and must be well selected; hence the miscellaneous character of classes subject to the term rule. To preserve the right to underwrite, if all classes were eligible for term, it should be permissible for the individual company to accept or reject any piece of business for term, depending on underwriting judgment.

As to what the term discounts ought to be, a logical answer may stem from a review of the expense that is saved by handling a policy once in three years instead of three times in three years. Expenses savable would include a portion of field salaries, inspection and surveys, printing and stationery, miscellaneous underwriting, and advertising—on the company side.

If the present discounts on term are too high and cannot be justified by the savings effected in expense, perhaps this indicates that the annual policy level is too high. It might be necessary to reduce all annual rates by a small percentage in order to permit the application of the new term discount without substantially increasing or reducing the present charge for a three year coverage. A 7.5% reduction in annual would effect this leveling off.

On the side of figures, which are much more important now in ratemaking

than before the S.E.U.A. case, it is necessary for a company to mix one-, 3- and 5-year business by classes; that is, a single class is written by the same company for all three terms. This produces a distortion when a company, to make a realistic rate, tries to convert all business to annual in order to find the loss ratio. A fixed percentage discount for terms of more than one year permits conversion to annual without distortion. This is a point of growing importance in ratemaking.

There is the question of whether or not, if only two or three year term were permitted and the discount were only 10%, how much business would return to annual. This is especially important because for so long insured have been able to get a 16 2/3% discount on three year term. There might be a big switch to two year business, for example. What would be the influence of this on expenses?

It will be interesting to see, if term discounts are materially reduced, if term continues to have the same appeal to the thrifty in the desirable classes. One imponderable in changes such as those that are being suggested, is the possible increase in expense due to greater competition and more frequent shift of insured from company to company, in case a smaller discount resulted in a substantial switch to annual business.

## PERSONAL SIDE OF THE BUSINESS

Earl E. Jones of the Blackburn-Jones agency of Ogden, who was elected president of Utah Assn. of Insurance Agents at the convention at Salt Lake City, is a native of Parker, Ida., and attended Brigham Young University. He started in insurance in 1930 with Dixon agency of Provo, Utah. He was later a special agent with Western General Ins. Co. at Salt Lake City. He resigned this position in 1937 to join St. Paul F. & M. as a special agent in Montana. In 1945 he entered the agency side of the business as a partner in the William J. Blackburn agency. At that time, he was special agent for St. Paul in Utah, Idaho, Montana and western Nevada.



Earl E. Jones

On Nov. 1, Mr. Jones will become the sole owner of the Blackburn-Jones agency. Mr. Blackburn has retired and is establishing a residence at Carmel, Cal. Mr. Jones is an ardent horseman and hunter.

Arne Pernell, Stockholm, reinsurance superintendent of Folket and Samarbete Insurance Societies, is visiting the U. S. to study American methods of reinsurance under a fellowship of Swedish Insurance Institute. He was

at Cincinnati last week, after having made stops at New York, Hartford and Columbus and will go to Chicago next. Mr. Pernell visited Iceland on his way to this country and will stop in England before returning to Sweden in December. He is an honorary fellow of American-Scandinavian Foundation.

One of the interesting family histories that is intertwined with a life insurance company tradition is that of the Baldwins of Washington, D. C. That family has long and numerous affiliation with Northwestern Mutual, starting with A. L. Baldwin, who was general agent at Washington for many years. One of his sons, Roger L. Baldwin, is presently general agent. Another son is Joseph S. Baldwin who is a special agent for Northwestern Mutual there. A third son, J. Hicks Baldwin, was with Northwestern Mutual at Washington until he became general agent there for New England Mutual Life. A fourth son, Philip L. Baldwin, was at one time with Northwestern Mutual at Washington, but he is now executive secretary of National Assn. of Mutual Insurance Agents at Washington. There is also a distaff side connection in that a sister of the four Baldwins, Marion Baldwin Alibone, was at one time cashier at Washington for Northwestern Mutual and her husband is now a Northwestern Mutual agent at Syracuse.

Joseph Baldwin has a son, also named Joseph, who was with Northwestern Mutual at Washington, and is now executive secretary of New York State

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Assn. of Mutual Insurance Agents at Syracuse.

**Robert Johnson** of Aetna Fire, who is president of Illinois Fire Underwriters Assn., is addressing the annual convention of Illinois Firemen's Assn. at Rock Island Friday on what Illinois State Fire Prevention Assn. does for the general public.

**Commissioner Allyn** of Connecticut has been made an admiral in the great navy of the state of Nebraska by Governor Peterson.

**John R. Cashel**, retired western manager of Providence Washington, who now resides at Shelby, N. C., is invading Yankee territory to get acquainted with two new grandchildren. He stopped at Chicago to see insurance friends and then went on to Wauwatosa, Wis., to visit his daughter, Mrs. A. J. Kempfert, and a granddaughter just two weeks old. His next stop is at White Bear Lake, Minn., where his daughter and son-in-law, Mr. and Mrs. R. D. Nicolin, have adopted a boy, now three weeks old.

**Charles T. Nichols**, veteran state agent of Springfield F. & M. at Great Bend, Kan., who was confined to Research Hospital, Kansas City, for some time with a gall bladder attack, is back in his field and was in attendance at a round-up of Springfield field forces in Topeka last week. **Clad Marshall**, state agent at Topeka, is on a leave of absence for an indefinite period following a heart attack in September.

**Miss Mabel Marsden**, chief accountant Northern Assurance, Chicago, was honored at an office party celebrating her 40th year with the company. She received many fine gifts.

**S. B. Komaiko**, veteran Chicago agent, was honored on his 70th birthday at a banquet attended by 1,000 persons representing civic, welfare, religious and cultural organizations in which Mr. Komaiko has been active for 46 years.

**L. F. Stanley**, local agent of Satanta, Kan., is visiting seven European countries on a combined business and pleasure trip and will return in late October. He made some business contacts as a result of his duties in London and Paris where he was stationed during the war. He sailed on the Ile De France. Mr. Stanley has attended several insurance schools at Hartford since returning from service.

**William Flint**, director of the complaints division of the Michigan department, who was seriously injured in an automobile accident a few weeks ago, has been removed from a Grand Rapids hospital to Edward W. Sparrow hospital at Lansing. He suffered a neck vertebra fracture. **Miss Ruth Sheehan**, one of five other department employees injured while on the way home from Grand Rapids after an agents-sponsored banquet for Commissioner Forbes, is still confined to Saginaw General hospital where she will remain for several weeks. She suffered a fractured hip.

## DEATHS

### Henry A. Steckler, G.A. at New Orleans, Dies

Henry A. Steckler, 61, head of Henry A. Steckler Co., general agents, New Orleans, died following a heart attack. The evening before he was stricken Mr. Steckler attended the annual meeting of Louisiana Rating & Fire Prevention Bureau.

Mr. Steckler graduated from Jefferson College, and entered insurance with the Louisiana bureau as an electrical engineer. He left the bureau to become special agent in Louisiana for St. Paul F. & M., and in 1927 entered the general agency business.

Mr. Steckler was a past president of American Assn. of Managing General Agents, Louisiana Rating & Fire Prevention Bureau and Louisiana-Mississippi Assn. of Managing General Agents

and past most loyal gander of Louisiana Blue Goose.

**William M. Aris**, manager of the brokerage department in the western department of America Fore with offices in the Insurance Exchange building, Chicago, suffered a heart attack in the office and died shortly thereafter. He started in 1916 in the old western department of Niagara Fire at Chicago as an assistant examiner and shortly was promoted to examiner. For a time he served at New York when the western department temporarily was transferred there. He served in the first war and was twice wounded. He returned to Niagara Fire and was named special agent in Illinois and later went back to New York as special examiner. In 1924 he went into the Missouri field as state agent and four years later was transferred to Columbus, O., in the same capacity. Shortly thereafter Niagara Fire became a part of the America Fore group and Mr. Aris was placed in charge of southwestern Ohio with headquarters at Cincinnati. In 1939 he was transferred to Chicago as executive special agent, and later that year promoted to manager of the brokerage department.

**Joseph A. Kysela**, 75, prominent Cleveland agent, died in that city after a short illness. Mr. Kysela had been a member of the Insurance Board of Cleveland since 1918 and was at one time a trustee. He had been in the business for 40 years. A son, Frank, is treasurer of the agency, and another son, John, is in the insurance business at San Diego, Cal.

**Roy S. Edwards**, local agent at Greenville, O., is dead.

**Alexander P. Clark, Jr.**, manager at Chicago for Fidelity & Deposit in the office of the Conkling, Price & Webb general agency, died early Sunday at his home at Winnetka, Ill., of a heart condition. He had suffered no previous illness and had had no indication of trouble. His age was but 44. He graduated at Penn State and after seeing the world for a year or two as a member of a merchant marine band, he entered the insurance business at Harrisburg, Pa., with the Gilbert L. Cullmery agency, which is general agent for Fidelity & Deposit. That was 18 years ago.

Mr. Clark went to Chicago 11 years ago as associate manager for Fidelity & Deposit and had been manager for the past two years. He was a past president of Surety Underwriters Assn. of Chicago. His father, who died about three years ago, had been general agent for F. & D. at Scranton, Pa., for many years. A half brother, C. E. Megargel, is Boston manager for F. & D.

**Peter J. Angsten**, who was one of the founders of Illinois Industrial Commission in 1913, and who was a member or chairman of the commission for the ensuing 28 years, and had also been an insurance broker at Chicago, died at St. Joseph hospital, Chicago, at the age of 70. Since retiring from the industrial commission in 1941, he had been an office broker with Edw. H. Walters & Co. and two of his sons, Philip and Edward were associated with him. They will continue the business. Previously he was identified with an agency known as Angsten, Farrell & Co., which handled a great deal of coal mine compensation business and at one time he was a vice-president of General Reinsurance. One of his accomplishments was to bring together the various interested elements and successfully to engineer passage of the Illinois occupational disease compensation law. He was known as the father of the Illinois industrial commission.

**William H. Pruden**, 89, retired manager of the old Pittsfield, Mass., stamp-

ing office of New England Insurance Exchange, died at Melrose, Mass. He was with the old American of Boston, and after that company's retirement he joined the exchange in 1912 as stamp clerk at Pittsfield. He retired in 1933.

**John L. Ruff**, 87, of the L. E. Ellis general agency of Des Moines, died. He joined the Ellis agency 18 years ago.

**Peter S. Reilly**, 69, brokerage supervisor of Northern Assurance at Chicago, died following an extended illness. He had been with the company 23 years.

**Philip Lasker**, 68, Staten Island broker and prominent in civic and religious affairs there, died.

**Edmund L. Hall**, 74, local agent at Lenoir, N. C., died suddenly following a heart attack.

**Dennis C. Stewart**, 45, field representative at Kansas City for U. S. Aviation Underwriters, died there. He had been in aviation insurance since 1941, spending five years with Aero Underwriters, and since that time representing U. S. Aviation Underwriters. He was well known to local agents in Kansas, Missouri, Iowa, Nebraska and Oklahoma. A brother, Leslie A. Stewart, now in the insurance business at Little Rock, formerly was with Central Surety at Kansas City.

**Charles W. Carroll**, who conducted an independent adjusting business at Rochester, N. Y., and who died recently at the age of 64, was a veteran in the adjusting field and was highly regarded. He started with Western Adjustment 30 years ago and after serving as manager of a branch office, was brought into Chicago as general adjuster, which position he held for several years. He later went to Rochester.

**Raynolds Barnum**, a veteran of 56 years in the insurance business, including local agency and company field work and, since 1912 with the prominent Kansas City agency now known as Mann-Kerdolff-Kline & Welsh, died during the night Saturday at a hospital at Park Rapids, Minn. He suffered a stroke at his summer place at Dorset, Minn., whence he had gone in June after recuperating from an illness.

Mr. Barnum was born in 1876 and his insurance career started in 1893 in the local agency of Brennan, Love & Co. at Omaha. He went into field work with Glens Falls in 1895 and from 1903 to 1907 traveled for Northwestern National. Then for the next five years he was state agent for Agricultural. He went to Omaha from New York to make his home with his uncle, Robert L. Raynolds, who was state agent of Connecticut Fire.

In 1910 Mr. Barnum was most loyal gander of the Kansas City Blue Goose. He was for 15 years president of the Underwriters Fire Patrol of Kansas City and was a past president of Kansas City Assn. of Insurance Agents.

The agency until two years ago was known as Mann-Barnum-Kerdolff & Welsh. At that time Mr. Barnum became inactive. When he became a partner in 1912 the agency was known as Brown, Mann & Barnum.

**John Froberg**, manager of California Inspection Rating Bureau, died at San Francisco. Mr. Froberg, who had been with the bureau since 1916, shortly after its organization, first as an actuary, had not been in good health in recent years but had continued his work.

**Milton A. Freedy**, 73, Wisconsin insurance commissioner from 1927 to 1931 and active in the insurance business for more than 50 years, died at Milwaukee hospital after a long illness. Most recently he had been general agent in eastern Wisconsin for Mercury. At the time of his appointment in 1927 he had been special agent of Phoenix for 20 years. He started in insurance work in 1893 with the C. F. Hibbard Co. agency, Milwaukee, and after 12 years went with the loss department of Royal at Chicago before joining Phoenix. He was one of the founders of the Blue Goose, a past president of Wisconsin Fire Prevention Assn. and Wisconsin Field Men's Club.

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## Auto Security Law Refinements Are Analyzed

**R. C. Wagner Tells R. L. Agents of Current Ideas for Improvement**

Patterns for various features of automobile security type safety responsibility law that appear to be desirable in the light of experience were outlined by Richard C. Wagner, casualty manager of Assn. of Casualty & Surety Companies, in addressing the banquet meeting of Rhode Island Assn. of Insurance Agents at Providence. These provisions are likely to have a substantial effect on the cost of and the more expeditious administration of the law, he said.

In view of the current cost of repairs, \$100 is a reasonable amount of property damage to invoke the law. In those cases involving property damage with an amount less than \$100, the law can still afford relief through the provision suspending licenses in the event of the non-payment of a judgment. The minimum amount varies in the different states from \$50 to \$200. The lower the limit, the greater the number of accidents that will come under the law and the more the law will cost to administer.

### Proof for Future

Many now believe that the requirement of proof of financial responsibility for the future in case of accident is not necessary and does not materially strengthen the law. There is a great deal of administrative detail involved in the filing of such proof and considerable administrative burden in determining when proof should no longer be required.

Many are opposed to the features in some of the laws that permit the administrator to waive the security requirement in the event he believes the party was not at fault, and probably would not be held liable for a judgment. Critics say that this adds a considerable administrative burden and there is also objection to giving an administrative officer such power.

### Effectuating the Exemption

Mr. Wagner commented favorably on a "streamlined" procedure that has been enacted in several states to set up a method of effectuating the exemption that the existence of insurance at the time of the accident comprises. This requires the insurance information to be contained in the accident report form but does not require verification of the information by the insurer. This, Mr. Wagner said, affords an expeditious and economical way of handling the matter. By severe penalties in the law for giving false information in an accident report, it is felt that incorrect information as to insurance will be discouraged. In a few cases where incorrect information might be given, it is believed that it will be rapidly detected and the provisions of the law can be invoked after such detection.

Mr. Wagner traced some of the practical effects under the operation of this type of law. There is no question, he said, but that it has uniformly brought about a large increase in the number of insured cars. The New York administrator in his last report estimated

(CONTINUED ON PAGE 30)

## Lang Cites Potentialities in Insurance Research

BOSTON—Insurance should make use of factual, objective research techniques in all its branches if management is to solve its future problems most effectively, Frank Lang, manager of the research department of Assn. of Casualty & Surety Companies, told the fall conference of Insurance Accountants Assn. here.

Pointing to the rapid growth of government, as well as private, insurance during the past decade, and the worldwide trend toward social insurance, Mr. Lang stressed that management must be prepared to use new methods to meet changing conditions. He said the public is more insurance-conscious than ever before, but that nevertheless the public should be more fully informed as to the merits of private as opposed to government-operated insurance.

### Industrial Service

Declaring that insurance might soon be confronted by a mass market, Mr. Lang warned that "assembly-line" methods used in some other industries to meet mass demands are not applicable to insurance, whose keynote is individual, personalized service. "We must concentrate on learning the characteristics of the market, the type of policies which are desired, the amount our customers can or will pay for them," he said.

In addition to the potential benefits which various phases of marketing research such as consumer opinion and estimates of market potentials hold for the insurance business, Mr. Lang called attention to human relations and general management as areas to be explored by modern research techniques.

The true research executive, he said, collects, organizes and interprets facts simply, clearly and without bias, regardless of how brutal or hard to face they may be.

Ever since the stock market crash of 1929 and the ensuing depression a certain distrust of business has existed continuously in the minds of the public and certain groups have capitalized on it. This distrust has endured throughout a major war and into the present period of economic prosperity.

### What the Public Wants

In view of the fact that the American economy has demonstrated its ability to deliver to the people the highest standard of living in the world, it is difficult for many to understand why anybody should object to it. Obviously, the American public is not satisfied with a high standard of living alone. The average American wants security—not charity—against common hazards such as death, old age, sickness, disability or undesired unemployment. Insurance has a challenge and opportunity to provide the average American with the means of realizing his most important wish by his own efforts.

The average American wants an opportunity to advance; he seeks to be treated like a human being—without being pushed around, and desires a status of genuine dignity.

The advocates of a so-called planned economy have made considerable progress in making people willing to exchange their personal liberty and individual opportunity for a promise of equity and security.

The public misunderstanding and dissatisfaction with the present economic system is too widespread to be safely disregarded by businessmen, as in a democracy such as ours, there will always be those who will take advantage of this distrust.

Free enterprise cannot succeed by

merely resorting to pet phrases, by ignoring objective criticism, or by failing to search conscientiously for the facts which would enable it to serve the public better. It is action which the public wants and not the painting of a rosy picture of what may be a bad performance.

Because so many people have a direct interest in insurance, the business actually lives in a glass house. Also it is particularly subject to public scrutiny because it is the largest business in size of assets. Bigness in itself is a cause of public concern. Then there are broad social and economic trends such as the public's intensified interest in insurance and the casting aside of insurance principles, previously regarded as sacrosanct. It is this interplay of change and adjustment to new conditions both in the protection which insurance provides as well as the environment in which it finds itself which makes insurance continuously stimulating.

### Vociferous Minority

The public, by and large, looks most favorably upon insurance and its management. However, there is a small but vociferous minority which feels that it does not receive its money's worth from its insurance dollars or which has specific objections to certain insurance procedures.

Only a small fraction of the public is aware of the outstanding efforts the insurance companies have made in life and property conservation, although the people recognize the great need for, and very much approve of such work. Furthermore, the public has little appreciation of the service that insurance renders, knows nothing about the provisions of the various coverages and has distinct misgivings concerning certain insurance operations such as the use of policy forms and technical language.

Insurance offers an intangible product, of which the buyer, although he receives continuous protection, becomes fully conscious only if and when he incurs a loss. The cost is not based upon the law of supply and demand. Increased demand for insurance generally does not decrease its cost, nor is the supply of insurance protection subject to normal market fluctuations.

The average person cannot, or will not take the time to understand his insurance policy. Someone else, his agent or broker, must take the responsibility of seeing that he receives good value.

The public has given wholehearted and widespread acceptance to the principle of protection by insurance.

### Growth in Two Directions

The acceptance of insurance principles has shown itself in the tremendous growth which all branches of private insurance have enjoyed, and the growth of government insurance and the constant demand from many groups that such programs be extended.

In looking with pride toward the growth of private insurance the alarming growth which government-sponsored programs have experienced in the same period cannot be ignored.

The federal, state and local governments have adopted many programs to which the term "insurance" is applied although some of them do not operate according to valid insurance principles.

The current interest in social security in the U. S. is merely one manifestation of a world-wide trend which has been growing since the turn of the century. Public opinion in this country has not yet crystallized as to the roles which the government and private enterprise

(CONTINUED ON PAGE 30)

## Hershey Favors Civil Service for Ill. Department

**Tells Union League Group Supervision Must Be Removed from Politics**

Meetings of the insurance membership group of Union League Club of Chicago were resumed at a luncheon Tuesday with Insurance Director Hershey of Illinois as the speaker, with an attendance of 125, which is the largest on record. Roy L. Davis, western manager of Assn. of Casualty & Surety companies, the new committee chairman, presided and got the organization off to a stimulating new start.

The next meeting will be in November and the speaker will be Gerhard



H. B. Hershey



Roy L. Davis

Hirshfeld of Chicago, who specializes in research on social security and who has just returned from a European trip. George F. Manzelmann, president of North American Accident, will be in charge of that meeting. Willard Ewing, general agent of Provident Mutual Life, is to arrange for the December gathering.

### Luminaries Are Presented

Mr. Davis introduced a number of the members who have recently been in the public eye, including Harry Fuller, deputy U. S. manager of Zurich who recently attained the status of 33rd degree Mason; Col. Isaac Miller Hamilton, chairman of Federal Life who celebrated his 85th birthday anniversary and his 50th year with Federal Life, of which he was a founder; R. M. Cunningham, vice-president of Marsh & McLennan, who completed 50 years in the insurance business. Flanking Mr. Hershey at the speakers' table were Arthur Bidwill of Chicago, chairman of the senate insurance committee; John J. Gorman, vice-president of the George Herrmann & Co. agency of Chicago, and chairman of the Illinois house insurance committee; W. Russell Arrington, vice-president of Combined of Chicago and a member of the house insurance committee and Frank J. Bartsch, deputy insurance director of Illinois and Mr. Hershey's right-hand man.

Mr. Hershey remarked that the problems and complexities of insurance and insurance supervision far exceed what he had realized before occupying the state position. He said that Illinois should occupy a much more important position than it does in the realm of supervision, and the aim should be to approach the excellence that is found in New York. He expressed the belief that much of the preeminence of supervision in New York is due to the fact

(CONTINUED ON PAGE 27)

## Young Driver Classification Is Proposed for Mass.

BOSTON—Massachusetts motorists whose cars are not driven by anyone under 23 years of age will pay lower rates for optional property damage insurance next year. A similar plan for compulsory personal injury insurance is under consideration, according to Commissioner Harrington.

Both plans were discussed at a hearing on next year's tentative rates for compulsory insurance. The 1950 rates represent an overall reduction of \$600,000 in premiums.

R. Ammi Cutter, counsel for Massachusetts stock companies, informed Mr. Harrington that all companies intend to apply the new classification system to optional property damage insurance. He then urged extension of the same system to compulsory liability cover.

Motorists now submitting applications for 1950 insurance are supplying the information needed for the new property damage rate system and this can be used for compulsory liability coverage

in the event it becomes effective. Cutter testified that two-thirds of the automobile owners would receive reduced rates under the proposal.

The present system of setting compulsory insurance rates by communities was protested by Rep. Harold W. Canavan of Revere. Under the proposed tentative rates promulgated last month, Revere motorists would pay the state's highest rate—\$56.30. About 175 communities would pay the minimum rate of \$16.20.

### Seeks Zone System Repeal

Canavan is circulating an initiative petition to repeal the present zone system of rates and to substitute a flat rate.

Protests were also made at the hearing against compulsory rates for taxis and motorcycles. Spokesmen for small taxicab fleets stated that their costs have gone up from \$370 to \$500 to \$600 per cab. Their attorney, Stanley Ganz, argued that cab companies are being charged such high rates they virtually pay for their own losses. He claimed that under existing arrangements each taxi operator was charged on the basis of his own loss rather than the experience of the entire industry.

State Assurance of Liverpool has completed its withdrawal from California.

## Anchor Casualty Holds St. Paul Sales Conference

Anchor Casualty held its annual sales conference at St. Paul attended by



Henry Guthunz

company men and large agents from all over the country. President Henry Guthunz sounded an optimistic note for the year. The leader for the first day of the meeting was T. Parker Lowe, vice-president, and for the second day was A. L. Roach, vice-president. Most of the speakers were company men, but an interesting innovation this year was a testimony on "What a Local Agent Expects from the Company Through Its Field Men," by George Cowton, general agent at Grand Island, Neb.

Another agency representative who spoke was Kenneth M. Hough, vice-president and secretary of the Anchor Agency at Chicago who discussed storekeepers' liability. Also present from the Anchor Agency was its president, Stephen T. Pepich.

High point of the event was the president's dinner honoring Mr. Guthunz at which the menu was as follows:

Appetizers, stuffed supply kits, ripe agents balances; soup, mock expense accounts; salads, comprehensive cover with cheesy claims dressing; fish, filet of smelly credit reports; entree, burnt underwriter with A-3 sauce; potatoes, escalloped special agents; vegetables, succotash a la overdue audit, stewed engineers; rolls, mouldy cancellations; dessert, frozen accounts.

## Shape Plans for Chicago Sales Congress Nov. 22

Plans are being shaped up for the annual sales congress of Chicago A. & H. Assn. at the La Salle hotel Nov. 22. President John H. Campbell, Provident Life & Accident, announced the arrangements that have so far been decided upon, at the luncheon meeting last week. The congress will start with a luncheon and will run until 4:30. Ben Groves, Travelers, is chairman of the committee in charge.

One of the speakers will be Dr. Ralph J. Gampell, who left a successful medical practice in England because of his opposition to the socialization of medicine there. He is now completing an internship at St. Joseph's hospital, San Francisco, so that he can qualify to practice in California. He is a graduate of University of Manchester and served in the medical branch of Royal Air Force five years. There will be four other speakers.

The Christmas party for orphans is to be held Dec. 20 at the La Salle hotel.

## Allan Dillard in New Post

Allan Dillard, formerly with Texas Employers and the Employers Casualty, has become associated with Houston Fire & Casualty, as associate claims manager. Mr. Dillard had been with his former companies for a number of years, and recently was in charge of their Corpus Christi claims office.

## Betz Ohio Club Speaker

Howard Betz of Cincinnati, safety engineer for American-Associated companies, will address the Casualty & Surety Field Club of Ohio at its meeting at Columbus Nov. 7.

Officers of the club for the year are W. D. Sims, Buckeye Union Casualty, president; R. B. Liles, Trinity Universal, vice-president; L. H. Koch, Hoosier Casualty, secretary, and D. J. Sandman, American-Associated, treasurer.

## Buckeye Union Offers Financing Plan; Omnibus Form

CINCINNATI—Announcement of a new optional household policy in anticipation of multiple line underwriting, development of a fidelity and surety bond application and procedure manual, and introduction of a premium financing plan particularly designed for the needs of its agents is being made by Buckeye Union companies at a series of 12 educational meetings it is sponsoring this fall.

The optional household policy provides for fire and extended coverage, comprehensive personal liability, residence glass, and theft. The policy provides face amount theft coverage including \$50 on money and securities and 10% theft away from the premises on other than money and securities. Ohio is the only one of the five major premium producing states which does not



FREDERICK E. JONES

have provision for multiple line underwriting at present. It is stated that \$50 in money is adequate coverage for the average home owner and 10% of the policy face will take care of most outside exposures unless there is a heavy exposure in jewelry or furs and such items which should be given all-risk protection.

The premium finance plan is available only on Buckeye Union business through First National Bank of Jackson, O. Payments may be made either semi-annually or annually. Six percent simple interest is charged on premiums up to \$1,000; over \$1,000, the financing is at 5% simple interest. The contract is discounted by the bank at 4½%, the agent realizing 1½%. The minimum premium financed for annual payments is \$60 and for semi-annual payments \$125.

A rating plan for the writing of fire legal liability is being developed in Ohio and casualty and fire companies will soon be competing for this business. D. R. Haverick, manager general liability department, stated. He said a considerable demand would be developed for this coverage.

S. W. Schellenger, superintendent of agents, presided at the educational meeting at which speakers were J. A. Dodd, Jr., executive secretary of the fire company; T. Fred Smith, assistant secretary of the casualty company and bond manager; H. L. Andrews, assistant secretary, and H. T. Weaver, burglary manager, in addition to Mr. Haverick.

C. M. Hebble, Cincinnati manager, opened the dinner meeting, introducing Frederick E. Jones, president, who presided. Speakers included R. E. Jones, vice-president; I. L. Morris, secretary; B. J. Mertz, comptroller; A. R. Gibson, vice-president, and Mr. Dodd.

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*That When Tobacco  
Smoke Is Blown Through  
A Handkerchief the  
Yellow Mark Produced  
Is "Nicotine?"*

*It is not. The yellow  
mark is "tar."*

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## Non-Hospital Health Covers Questioned by Blue Cross Chief

In an address at the annual meeting of Assn. of Life Insurance Medical Directors at New York City, Dr. Paul R. Hawley, chief executive officer Blue Cross and Blue Shield Commissions, Chicago, reviewed the great growth which has been made in hospitalization coverage but raised some questions on covering medical care outside of the hospital. He said that since both the amount of medical care required, and its cost, are as equally unpredictable as the date, it is impossible to budget for it upon a pay-as-you-go principle.

In the instances in which Blue Shield plans have experimented in covering home and office visits, it has been found that more than 50% of these medical bills are for sums less than \$6, and that the administrative cost of processing and settling such a claim is around \$3.

This means that the insured person is paying at least 50% more, and often twice as much, as the service is worth. According to Dr. Hawley, the same situation will obtain in government compulsory insurance, thus greatly increasing the cost of medical care, a fact that is not often recognized.

"I am firmly of the opinion that, at the present time at least, it is neither feasible nor economical to extend the scope of protection much beyond the cost of hospitalized illness. It is also probable that full protection would lead to abuses of the service by some people, and this would raise the cost of the protection."

In this connection, Dr. Hawley said, it must be remembered that health insurance is the only kind of insurance not protected by law against abuses. Even the indemnity type of health insurance is protected to some degree by a dollar limitation upon benefits; but service plans are entirely at the mercy of the patient, the physician and the hospital, he added.

In evaluating the successes of voluntary health insurance, Dr. Hawley remarked that this is a relatively new field of insurance, that it had to start with no actuarial experience, and that, even now, actuarial data are not wholly adequate.

### Group Enrollment the Rule

"We have not convinced enough people that voluntary health insurance is to be preferred to compulsory health insurance. There are several reasons for this failure, the principal one, in my opinion, being the strict enrollment, or underwriting policies which have been followed until the present by almost all commercial carriers and by too many Blue Cross and Blue Shield plans. Group enrollment has been the rule, and non-group enrollment the exception."

"The next failure, which I would list, is one almost entirely limited to the nonprofit plans. This is the failure to offer more than one type of contract. There is always, of course, the group with very low incomes who can afford only the lowest possible cost of protection—as, for example, ward accommodations on a full service basis. This is by far the most important group to be protected, and an offering to them must never be priced out of the market."

Dr. Hawley said that it is not necessary to emphasize that voluntary health insurance has not reduced, and cannot reduce the cost of medical care. It has, however, gone a long way toward easing the burden of this cost, even though it still has a long way to go before it can boast of a task fully accomplished, he continued.

It is distinctly in the interest of the people, Dr. Hawley commented, that the agencies providing medical care be stimulated toward expansion and improvement. For this reason, he went on to say, it is most important that voluntary health insurance contribute to this end

rather than to assume the exclusive position of a bargaining agent for the consumer of medical care in a battle to lower costs. "This is not to say that voluntary health insurance should pay one penny more for the medical care of its subscribers or policyholders than this care is worth; but neither is it to say that it should endeavor to obtain this care at a figure that will impair the usefulness of hospitals through adding to deficits."

Insurance is one of the important bastions of free enterprise in this country, Dr. Hawley said, and one of the few which is now under attack by those who

would socialize America. Voluntary hospitals and an unregimented medical profession are parts of the free enterprise system which must be protected, he cautioned. "The economic security of doctors is not as yet threatened; but that of voluntary hospitals is in a precarious position. If voluntary hospitals are unable to survive in a free enterprise system, the government must, in the public interest, support them; and government support means government control. Once the hospitals succumb, the medical profession will fall shortly, and we shall have the complete socialization of medical care," he concluded.

## Seek 4.1% Cut in Minn.

ST. PAUL—Four months after they were granted a 6.1% increase in compensation insurance rates, companies have filed a proposal through the rating bureau for a 4.1% reduction, effective Jan. 1. The action came as a surprise to many assured and local agents inasmuch as the 6.1% increase granted in June was to take care of increased liability under new legislation. The proposed reduction would wipe out two-thirds of that increase.

The Minnesota compensation insurance board has set a hearing on the proposal for Nov. 2.



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between agent,  
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- 49** —the number of F&D field offices spotted throughout the country, each staffed with *practical* men whose sole assignment is to help agents and brokers *build business*.
- 59** —the number of years during which F&D has specialized in fidelity and surety bonds: over half a century of constant growth to the point where, today, F&D handles a larger gross volume of fidelity and surety business than any other company in the entire industry.
- 0** —the number of obligations which F&D has failed to settle promptly and fully, good times or bad...



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BURGLARY, AND OTHER NEEDED  
FORMS OF INSURANCE

**FIDELITY AND DEPOSIT COMPANY**  
**Baltimore Maryland**

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

## Unauthorized Problem Subject of Chicago Parley

The unauthorized insurance subcommittee of the all-industry committee is meeting at the LaSalle hotel, Chicago, Oct. 25. It is meeting at the request of National Assn. of Insurance Commissioners to consider proposals that have been made for tackling the problem of unauthorized insurance, with special reference to the treatise that was prepared by George H. Kline of the New York department and submitted to N.A.I.C. at the Seattle convention in June. Mr. Kline's work was entirely objective. He analyzed the various approaches to the problem that

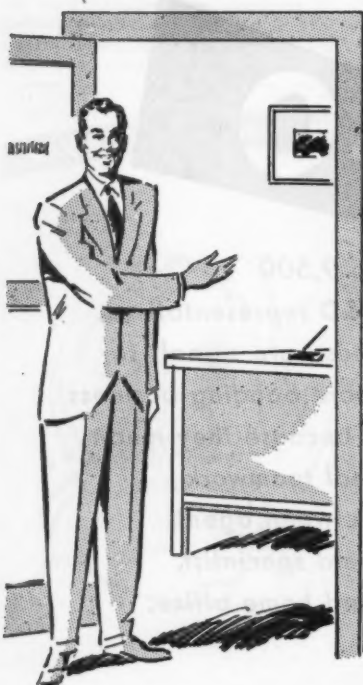
have been advanced, but he did not make recommendations. Also, consideration will be given to the plan for special licensing of mail order insurers that was proposed by T. G. Scanlon, vice-president of Old American of Kansas City, at the Seattle convention.

Co-chairmen of the subcommittee are C. C. Fraizer, general counsel of H. & A. Underwriters Conference, and J. F. Follmann, Jr., manager of Bureau of A. & H. Underwriters. The arrangements for the meeting are being made by John P. Hanna, associate managing director of H. & A. Underwriters Conference.

### Justice Nebraska State Agent

Earl W. Justice has been appointed state agent for Nebraska by Iowa Home Mutual Casualty with headquarters in the Stuart building, Lincoln.

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Something new is now added to Abstractor's Liability Insurance. It is available with \$100 or \$500 deductible as well as \$1,000 deductible formerly written.

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## Value of the Discovery Period Closely Analyzed

By **RICHARD T. WOOD**  
Manager Fidelity Department  
American Surety

The recent revision of the discovery schedule bonds so as to provide an optional discovery period when coverage is dropped has raised the question of the value of a discovery period. The charge made on the discovery bonds is 10% of the last annual premium for an optional discovery period of one year; 15% for a period of two years.

In an endeavor to find an answer to the question, a survey has been made of 1,528 losses paid by our group from 1930-49 which have been reviewed from time to time for underwriting purposes without any thought of the present study. All such losses have been used without selection.

Losses were first broken down into those discovered while the bond (under which payment was made) was in force and those discovered after cancellation (during the discovery period). This showed 1,366 totaling \$11,951,384 discovered while the bond was in force and 162 totaling \$1,172,558 discovered during the discovery period. These figures would tend to justify the discovery period charges mentioned above.

Losses discovered during the discovery period after cancellation were as follows:

Within 3 months	—59	Totaling \$364,788
3-6 months	—36	340,951
6-9 months	—29	208,078
9-12 months	—19	212,390
12-15 months	—5	11,777
15-18 months	—5	18,020
18-21 months	—2	3,500
21-24 months	—1	108
24-27 months	—none	
27-30 months	—1	5,000
30-33 months	—none	
33-36 months	—2	246
More than 36 months	—3	7,700
<b>Totals</b>	<b>162</b>	<b>\$1,172,558</b>

Making a further breakdown, it was found that four losses totaling \$21,917 were sustained under prior bonds but brought under the present bond by the continuity afforded. No part of these losses occurred during the currency of the bonds under which payment was made. Four hundred and twenty-two losses totaling \$6,767,742 were sustained under prior and current bonds, indicating the great desirability and need of continuity. Nine hundred and forty losses totaling \$5,161,725 were sustained under current bonds and discovered while they were in force.

Classifying the losses as financial (banks, savings and loan associations, stock brokers, investment bankers, et al) and commercial (all others than financial institutions) makes a further breakdown of interest. Of the four losses totaling \$21,917 sustained under prior bonds with no accompanying loss under the current bond, all were financial; none were commercial. Of the 422 losses totaling \$6,767,742, sustained under prior and current bonds, 331 totaling \$6,404,356 were financial and 91 totaling \$363,386 were commercial. Of the 940 losses totaling \$5,161,725, sustained and discovered under current bonds, 565 totaling \$4,609,220 were financial and 375 totaling \$552,505 were commercial.

Losses discovered during the discovery period were predominantly financial, only 12 totaling \$22,623 of 162 totaling

\$1,172,558 being commercial. These were distributed as follows:

Within 3 months	—5	Totaling \$6,793
3-6 months	—1	100
6-9 months	—1	4,135
9-12 months	—2	2,572
12-15 months	—2	7,500
27-30 months	—1	1,500
<b>Totals</b>	<b>12</b>	<b>\$22,623</b>

These figures would appear to argue against the long discovery periods once in vogue in commercial fidelity lines.

What are the lessons to be drawn from the above figures? Undoubtedly, the first conclusion is that fidelity protection is a necessity. The next conclusion is that continuity of fidelity protection is also a necessity. This has been recognized by Surety Assn. of America by the including of a continuity feature in all of its commonly used fidelity and blanket bond forms. There is some variation in the way continuity is given. Some forms have an indemnity against prior losses insuring clause, some have the broader retroactive extension provision, while the discovery schedule bonds operate on a discovery basis—the broadest plan in the giving of continuity. Unlike the other plans, the discovery basis gives coverage from the date of employment rather than from the date an employee was first bonded. Of all the plans for giving continuity, it is the most attractive to an insured.

While the discovery period has proved to be of value on financial lines, it has not, on the basis of the above figures, been particularly important on commercial lines. How much this is related to insured going out of business is not known. There is, of course, no discovery period problem while coverage is in force. Going concerns continue to carry fidelity bonds. It is noteworthy that in the field of accountants liability insurance where an optional discovery period, the same as is now provided for the discovery schedule bonds, has been available for two years, there has been only a single case (out of several hundred on our books) where the option was exercised. In other words, coverage, once carried, is seldom dropped so that discovery period is of little importance.

Because of the larger number of losses commenced while prior bonds were in force and continued under present bonds, insured should weigh carefully a decision to change carriers. Situations have arisen where carriers were changed and it was difficult or impossible to allocate losses to the periods the various bonds were in force. This, sometimes, leaves the insured in the position of knowing that he has a loss but of being unable to prove it satisfactorily under two or more bonds.

This is not a very comfortable position from the viewpoint of one who has thought he has carried necessary protection.

### Total Losses About Same

From the standpoint of the insurance business, it is a detail whether losses discovered during the discovery period of a prior bond should be paid by the prior or present carrier. The total losses paid by all carriers would be about the same whether the liability for such losses fell upon the prior or the present carrier. It would simply be a matter of contract.

One bank, which sought to overcome the difficulty mentioned above, explained the situation and offered a solution as follows:

"We have been trying to figure out a way to give you our blanket bond, but, after discussing the matter, we just could not see how we could afford to close out with our present company

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## Vote Against Nationalization

(CONTINUED FROM PAGE 9)

years on policies in force, but would not write new business and as of 1958 Traffic Insurance Co. would have the full monopoly. Companies could turn over their portfolios to Traffic Insurance Co. at any time. They would give the government insurer two-thirds of the "regulation fund." It has accumulated under present conditions and could dispose freely of the other third. The committee proposes that employees put out of work by the shift over ought to receive compensation from Traffic Insurance Co. The latter would have a guarantee capital of 10 million krona advanced by the state and would pay 3% interest on the capital until it was repaid.

### Arguments for Nationalization

The arguments for nationalizing this portion of the insurance business in Sweden are that the state should co-operate positively in the transaction of obligatory insurance; a centralized monopoly institute would enable the introduction of certain simplifications, for example individual policies would not be necessary; a centralized office offers increased opportunities for a representative influence of insured; would contribute to furthering traffic safety, and would eliminate the carrying of the traffic coverage by other lines of insurance as is the case where insurance is divided among a number of companies.

The minority members of the committee favor the present method of writing automobile coverage and point out that a monopoly has many disadvantages. It would be unwieldy and unnecessarily expensive. It lacks the stimulus of competition and excludes all chances of making comparisons when trying to judge its efficiency.

The automobile business in Sweden has been unprofitable for about three years, mostly because of infiltration and the inability of figures to keep up with experience. It is pointed out that Sweden has only about 300,000 to 400,000 motor vehicles of all kinds, compared with about 42 million in the U. S.

The committee is continuing its study of compulsory workmen's compensation insurance, which is handled by mutual companies formed by employer or employee groups, and which is non-profit. On the automobile business the private companies have limited themselves in the past to 5% profit and today to 3%.

### Home Indemnity Appoints Gravely Texas Secretary

Home Indemnity has appointed Warren Gravely secretary. Mr. Gravely is secretary of Home at Dallas with supervision of operations in Texas and will now supervise Home Indemnity in that area.

Mr. Gravely attended Southern Methodist University. His entire insurance career has been with Home. He served as a state agent in Texas until 1945 when he was transferred to Richmond, Va., as state agent. In 1947 he was transferred to the southern department of Home in New York and elected assistant secretary. Last June he was made secretary of Home.

### New Rosendahl Co. Licensed

Interstate Indemnity of Los Angeles has been licensed in California to write all forms of automobile, common carrier liability, public liability, property damage and workmen's compensation insurance. It is under the direction of the Ray Rosendahl Co., and will confine its business to California at first. Ray A. Rosendahl is president; Wendel R. McCool and George J. Benkie, vice-presidents; Howard S. Siskel, secretary, and C. E. Kinniger, treasurer.

## Bars Discrimination in Auto Insurance

Every company licensed to write automobile bodily injury and property damage in the state of Washington has been called upon by Commissioner Sullivan to file a statement with his office to the effect that all persons applying for automobile insurance "will be considered by the same underwriting methods and standards".

Commissioner Sullivan has stated that the new financial responsibility law, which goes into effect Feb. 1, 1950, grants exemption to "any operator or owner if such operator or owner was at the time of the accident in good faith entitled to but unable, solely because of his race or color, to procure an automobile liability policy through ordinary methods without rate modification".

Commissioner Sullivan said that if the new law is to operate successfully racial risks must be considered by the same standards as all other risks who are in good faith entitled to insurance without application to the assigned risk plan.

The commissioner said he felt he could expect the companies "to give fair consideration to such risks mea-

sured by the ordinary methods of underwriting." He said that he felt, however, that "an affirmative written statement from the companies would be of value to this office if any complaint is received and would also be of assistance to the director of licenses in the administration of the law".

In the statement which each company is called upon to file with the department, there is included wording to the effect that "all of our agents will be advised of this statement".

Companies and agents have been asked to refrain from publicizing the new law until after Dec. 4, so as to enable the department of licenses to proceed with a coordinated state-wide educational program. Governor Langlie is expected to make a radio broadcast on the new law. Other state officials will speak and in addition the department of licenses is preparing a pamphlet which will be distributed to all new license plate holders.

### J. G. Benedict Joins Home

James G. Benedict has resigned as special agent for Hartford Accident in western Washington and has joined Home Indemnity as special agent. Mr. Benedict will supervise operations in Washington and northern Idaho.

## Uniform Accounting Work Published

A very interesting and helpful booklet on uniform accounting by S. Alexander Bell has just been published. Mr. Bell is a well known Chicago insurance accountant and is also the manager of Midwestern Independent Statistical Service. This booklet contains an analysis of the uniform accounting requirements, a suggested simple method of procedure necessary for compliance with uniform accounting requirements and a comprehensive index of allocations of the various items. It also contains a reprint of the actual uniform accounting regulations. This booklet should prove particularly helpful to the smaller companies. It is available through the publishers, Insurance Management and Service, Inc., 75 East Wacker drive, Chicago, at \$25.

Boston has opened an eastern Canadian department at Toronto, with C. F. Mist as manager.

Insurance Women of Lincoln, Neb., celebrated the ninth anniversary of the formation of their group Oct. 13. Fred Eiche of the Sweeney agency discussed "Automobile Insurance."

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**CENTRAL SURETY**



**CENTRAL SURETY AND INSURANCE CORPORATION**

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

## Seek to Help Agent to Sell Himself

(CONTINUED FROM PAGE 6)

around the value of picture sequences which serve the purpose of getting a longer message across graphically.

R. J. Walker of Standard Accident, was also unable to be present and A. E. Duncan, Jr., Fire Association, spoke on items which agents use most successfully. The agent, Mr. Duncan said is only interested in leaflets providing his name is imprinted instead of the company name. He told of trying out a reporting form kit with eight field men, who in 10 days returned 23 reporting forms for a volume of \$23,000.

The subject of what the advertising department can do for agency personnel was handled by W. H. Riley, American Surety. He pointed out that agents are in a more competitive market. But because of too many factors involved with

both large and small agencies no definite plan can be used.

If a field man has given good service not only to the agent but also the personnel, he should not find it too difficult to convince them he can also be of help on advertising. That would relieve them of some time-consuming details involved in planning, supervising and following through on an advertising program.

The agency personnel because of their many contacts can also be of help to the field man in making a survey of the local market.

A picture of how Mr. Average Agent looks at advertising was given by Roger E. Clarke, agent at Fredericksburg, Va. Mr. Average Agent in an average town is mixed up in many local activities he usually has to advertise so the public

will continue to realize that he is an insurance agent. "Advertising campaigns are helpful if you can get the local agent to do personal solicitation, which is the life blood of the campaign," he said. "When I first took over the agency for operation, newspaper advertisements, direct mail and almost every medium



J. A. Gernhardt



T. W. Budlong

available was used to identify me with the insurance business. That objective is a continuing one in my agency."

Research and public relations were given a thorough review by Ralph C. Blatchford, Employers group. It was suggested that possibly a standard reporting form should be prepared so that advertisers would have a better knowledge of the service trade papers have to offer. This included editorial policy, circulation, percentage of renewals as



CLARK SMITHEMAN

well as a better knowledge of the editorial personnel and their aims. To the agents it was suggested that possibly a leaflet on fundamentals of advertising would be of help, as well as advice to associations or agents in public relations advertising.

Trade journals can help, W. E. Clapp, "Eastern Underwriter" said, by keeping in step with the buyers' market trend. They should recognize both company and agency efforts in making advertising play its part in publicizing the new market.

## MINOR SEEKS APPEAL

For the most part the advertisements which appear in insurance magazines are distinctly negligible in their appeal and in educational value, Claude D. Minor, president of Virginia Fire & Marine, declared, told members of the Insurance Advertising Conference.

Mr. Minor recalled how in preparation for his speech he concentrated on a September issue of one of the most prominent insurance periodicals containing 93 advertisements. In Mr. Minor's judgment, 85 of these "ads" possessed no educational slant or value. For the most part, these advertisements were nothing more than the names and addresses of the company or agency, in some cases supplemented by the types and coverages of risks which they write

and which they emphasize as leaders. The other eight "ads" in this particular issue did have some educational value, but none were given a rating of better than 50 plus out of a possible 100, according to the speaker's standards. From the standpoint of appeal, of getting the readers' attention, the 85 had almost none, but the other eight had appeal varying from mediocre to close to perfection.

According to Mr. Minor, advertising is a salesman which follows the same procedure and has the same aim as the individual salesman. Advertising, like sales approaches, must get the prospect's attention, must interest him in



C. D. MINOR

what is being sold, must impress the prospect sufficiently to create a desire for the subject of the sale and through this impression bring about the situation wherein the prospect can be influenced, so that the sale will be closed.

The speaker admitted that he was no advertising man and that the copy appearing in trade magazines reflects only one segment of the functions and aims of the advertising executive. But he reiterated his conviction that if the insurance advertising executive is to do his job, his knowledge and abilities must be far more expansive than the mere copywriting stage. "He must know insurance and the whys and wherefores of the coverages about which he is expected to write. He must know people, their reactions and behavior, their likes and dislikes, their interests and ambitions. He must know just what an insurance agent is, how insurance is sold, and how an insurance agency is operated. He must know insurable interest, whether that interest is found in property values or otherwise, and he must know the type of insurance which is applicable to each interest. When he knows these things and how to write good insurance advertising copy, he will have no difficulty in being a top-notch in his profession. Moreover, he will almost subconsciously slant his advertising copy, regardless of its form, toward the field of educational value and public relations value, the two fields in which our hopes lie for the future progress of our business," Mr. Minor concluded.

## Must Know Retailers' Problems

Dan W. Lindsey, Jr., head of an advertising agency at Richmond, Va., told the advertising men that there is often a gap in the insurance advertising and selling campaigns which might be filled through greater teamwork between the company and the agent and a better understanding of the agents' local problems and promotional needs on the part of advertising departments.

He cautioned his hearers that it is not what the advertising men think that counts in the final analysis, but it is what the ultimate consumer of insurance thinks that really matters. In this connection, he advised his hearers to get around among agents, to pound the pavements with them, to get to know how the customers think, to get the feel of the business on the retailer's level.

Mr. Lindsey said that recently he

## PLAY SAFE

IN THE EVENT OF LOSS WILL YOUR CLIENTS FIND IT NECESSARY TO USE THEIR RESERVES FOR REBUILDING BECAUSE OF TODAY'S HIGH REPLACEMENT COSTS?

THIS QUESTION IS OF VITAL INTEREST TO ALL PROPERTY OWNERS.

REPLACEMENT INSURANCE  
is the answer.

## Newhouse and Hawley, Inc.

UNDERWRITERS

116 JOHN ST.  
COOrdland 7-0729  
NEW YORK

135 SO. LA SALLE  
STate 2-1285  
CHICAGO

**BOB DAN THE ANCHOR-MAN**

Anchor cuts through the red tape when it comes to writing up one of their short order forms on a bond

*"Anchor's The Way M'Boys — Anchor's The Way"*

Man bites dog may make news but dog biting man makes a lawsuit — so be sure you're covered under an Anchor Comprehensive Liability Policy

Keep in mind Anchor's Public Official Bonds... with political aspirants

**ANCHOR CASUALTY COMPANY**  
SAINT PAUL 4, MINNESOTA

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asked the heads of a large insurance agency if representatives of the advertising departments of the companies represented, or their advertising agencies, ever consulted them in the matter of advertising needs. The answer was that the advertising people had never come near the agency. A company must ask its agents what they think of the advertising in order to know the value or lack of value of the promotional material supplied them, he declared.

The speaker admitted that the insurance advertising in national media had impressed him to the extent that he realized that many catastrophes that are insurable could happen to him. Even so, he added, his attention was never called to the names of the various insurance companies which are designed to keep him out of jail or bankruptcy.

Mr. Lindsey stated that seldom has a promotion piece sent to him over the agent's name given him a nudge that might be classified as a form of local advertising impact. He said that in most cases he has been sold because of the softening-up treatment of the copy in general magazines, followed by restrained perseverance on the part of the agent—not always the agent for the company which invested in the national advertising campaign.

#### Need More Color

Mr. Lindsey suggested that more color be put into the advertising sales story presented by insurance companies. He indicated that the proverbial light-house, or the substantial new office building into which a company may have expanded, or the fact that a company has passed the century mark in business, or that the company was going strong when the pioneers trekked westward, is of little importance to the reader and gives him no assurance that he will be kept out of jail if his brakes suddenly fail without warning.

Mr. Lindsey indicated that calendars and other reminder types of insurance advertising have a value, but warned against expecting such advertising to uphold the company or the agent as the friendly guardian of the American home.

Eugene F. Gallagher, manager of special services for Standard Accident,



E. F. Gallagher

suggested that every committee of executives and underwriters with the responsibility for drafting new or revised coverage should include one or more representatives of the publicity departments to aid in offering the public coverages which have self-explanatory names, which have appeal and which are couched in understandable language. Mr. Gallagher inveighed against the general confusing terminology which is used in the insurance business. He pointed out that such terms as inland marine, extended coverage endorsement, convertible collision, personal property floater, inherent vice and a number of others are not only ambiguous and confusing to the public, but cause people to think they are covered when they are not.

#### "Jabberwocky" Not Inviolable

As archaic and inaccurate as some of the verbiage in the insurance contract is, Mr. Gallagher said that there are numerous people who will tell you it cannot be changed. This "jabberwocky" is held inviolable because almost every word and phrase has been the subject of interpretation by the courts. Undoubtedly, a great part of the phraseology has been interpreted by the courts, Mr. Gallagher avowed, but said there is nothing in the record to indicate that this interpretation has been invariably favorable to the insurance company. "It might not be a bad idea to revise some of these old contracts; make them understandable and then find out if even the courts may not be able to see what was

intended when they were written," Mr. Gallagher declared.

Mr. Gallagher admitted that he could not be very constructive in this direction except to insist that the principles to be borne in mind in considering a solution are that names or language used should be understandable and appealing.

The speaker indicated that he could think of no segment in business which has greater potentialities for improving the situation than those who are devoting time to publicity for the insurance industry. The trouble is that such men are not given the opportunity to be helpful until it is too late, he declared. "People must understand what we are talking about. Where possible we must use words which are familiar to most people, and, furthermore, we must use words in their generally accepted meaning. The attainment of such an end is one of the great contributions you could make to the business, if you were just given the opportunity," he said.

### Hershey Favors Civil Service

(CONTINUED FROM PAGE 21)

that there is a corps of career men in the department there, and this, in turn, is made possible by the fact that the personnel are under civil service. He said that insurance supervision constitutes a technical operation that affects the lives of practically every person in the state and he said that this should be taken out of the realm of politics. He called on the insurance fraternity to demand that this be done, regardless of their party affiliation. He said that all insurance departments must seek to attain the greatest degree of perfection possible so that they may do away forever with the demand for federal supervision. He insisted that insurance supervision is something that belongs at home.

A big problem currently is to determine what the fire and casualty companies should be required to submit to the department in the way of supporting data in connection with rate filings. There is need for uniformity among the states in this area, he declared.

Mr. Hershey voiced the belief that the new method of effecting renewal of agents and brokers licenses will prove a great saving for the department and will be much easier for the licensees.

He said that a big problem involves the alleged discrimination in underwriting in the Negro neighborhoods of Chicago. Leaders in that territory feel that they are being discriminated against. They say, for instance, that insurance can be gotten when property is encumbered but when the mortgage is paid off, the insurance is canceled. Mr. Hershey said that there must be no discrimination for any reason.

Mr. Hershey said that important savings have been effected in the department in the way of personnel and travel expense, and by moving the Chicago office to the new state office building, there is a savings of \$850 a month. Economy was effected by consolidating under the life actuary the work that was previously divided as between legal reserve life companies, assessment companies and fraternal.

### Detroit Teachers Promote New Mich. Auto Mutual

LANSING, MICH.—Efforts are being pushed to form a proposed new mutual automobile carrier being promoted by Detroit teachers. The carrier, which has a preliminary certificate from the Michigan department pending the signing up of sufficient members to qualify under the statute, is to be known as Michigan Educational Employees Mutual. Steps have been taken to use the rating facilities of the recently formed Michigan Bureau of Casualty Companies.

The organization efforts are being guided by two Detroit consulting actu-

aries, A. G. Gabriel and Alvin T. Borchardt, the latter a former department employee. Paul H. Wentink is president of the mutual; Floyd E. Radabaugh, vice-president; Richard B. Cramer, secretary; John H. Strandberg, treasurer; Aaron E. Carmean, office manager; Howard E. Gilbert, auditor, and William E. Stirton, public relations director. They make up the directorate.

A \$5 membership fee is being assessed in addition to advance premiums. The carrier's solicitation for the present is being confined largely to employees of boards of education, whether

teachers or non-teaching personnel, either active or retired. Much of the solicitation, it was said, is being made by mail through employee groups.

The statute requires a minimum of 200 risks and \$50,000 in cash assets before a license can be granted. Of the cash assets, at least \$25,000 must be in the form of advance premium payments.

While plans are to confine business to automobile risks for the immediate future, the preliminary articles would permit writing A. & H. and general liability.

#### TO AGENTS AND BROKERS

You can use this message, appearing in General and Business Magazines, to help sell FIDELITY BONDS. Address Agency & Production Department for a free copy of "Mail-road to Profits," which tells how to get this business.

"What is the  
'LIFE EXPECTANCY'  
of my  
BUSINESS?"



According to U. S. Census Bureau averages, if you are a white male aged 30, you can expect to live about 38 years more. If you are 45 you have 25 years to go, and at 60 Father Time allots you 15 years more. Significantly, the older you are the greater your total life span is expected to be.

But this is not necessarily true as to the "life expectancy" of a business. The older a business is, the greater the likelihood that there may be a shortage which has been hidden for many years by an employee and when finally discovered, may be so large as to cause bankruptcy.

One way to increase the "life expectancy" of your business is to protect it against possible serious loss due to employee dishonesty.

#### WHAT TO DO

Our DISCOVERY BOND is protecting numerous business concerns from employee losses. By protecting from the time a bonded employee may have begun to default, even though he started to default long before the date of the bond, it can save your business from an abrupt and unhappy ending. Ask our nearest agent or your own broker to tell you NOW about this vital protection.



### AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY  
NEW YORK CASUALTY COMPANY  
SURETY FIRE INSURANCE COMPANY

Casualty • Surety • Automobile • Inland Marine

100 Broadway, New York 5, N. Y.

## ACCIDENT AND HEALTH

### Sound A. & H. Growth Depends on Medical Directors: Filson

Medical directors must keep abreast of developments in medicine and surgery that are modifying and revolutionizing the concept of intelligent and reasonable selection of health and accident risks if their companies are to make sound business advances, Dr. Ralph M. Filson, medical director of Travelers, told Chicago A. & H. Assn. at its October meeting.

Their sincere endeavor is to grant benefits to the greatest possible number consistent with costs and losses, Dr. Filson said. To that end they must study medical histories for the frequency, severity and duration of illness.

"Two words, time and treatment, backed by full knowledge of recent developments, are essential in making the final decision on the risk," he said. He described as examples the treatment of duodenal ulceration by partial gastrectomy and vagotomy. Both were considered successful at first, he said, but

only partial gastrectomy has given permanent relief.

### N. J. Assn. Argues Merits of Group A. & H. for Members

Some interesting arguments pro and con have been espoused concerning the proposal to take out group A. & H. insurance for members of New Jersey A. & H. Underwriters Assn.

Those opposed to the plan contended that it might cause dissension or ill will among the members. They said that the business of the association is to promote good will and that anything causing dissension should be dispensed with. Those opposed specifically raised the question as to how the association could prevent a company or agent from capitalizing on the publicity, and stated that the agent who finally writes the business would be able to turn it to his own personal advantage. These same persons felt that it would be undignified for the association to accept this coverage.

It was stated by those favoring the plan that a committee would select the

company but that nobody would be favored and should the same plan be submitted by two or more companies, the committee would reach a decision on the carrier and agent by having a drawing. It was pointed out that Hartford and other associations had already adopted similar plans. It was further pointed out that the plan would benefit the members who might be uninsurable and that it most certainly would attract new members to the association.

### Announce A. & H. Course at Long Island University

International Assn. of A. & H. Underwriters has announced an A. & H. sales course to be held at Long Island University, Brooklyn, Jan. 30-Feb. 12. The session is being promoted and arranged by Brooklyn Assn. of A. & H. Underwriters.

Attractive brochures describing the two-week training period are being sent to agencies and companies in the northeastern area. Tuition, including instructional materials, is \$50. Registrations are being accepted by Nicholas V. Sichenze, president Brooklyn association, 6916 Fort Hamilton Parkway, Brooklyn, or at International headquarters, 330 South Wells street, Chicago 6.

### Form Orlando Association

Orlando Assn. of A. & H. Underwriters, affiliated with the Florida State and International associations, has just been formed and these officers elected: President, C. Leslie Watkins, Continental Casualty; vice-president, James F. Mullahy, Professional; executive secretary, Frank Richter, National Standard; treasurer, O. N. Cronk, Florida Mutual Life. Mr. Watkins was president of the West Palm Beach association until his company transferred him to central Florida as general agent intermediate division.

The new organization started with 39 members and more are being added each week. The goal set is 75 and it is planned to make it the largest local in Florida. The Orlando association will be host to the Florida association convention Oct. 28-29.

### Big Month for Inter-Ocean

September business in the commercial department of Inter-Ocean exceeded that of the same month last year by 15%. It was 35% above normal as the result of a campaign by 247 agents honoring President W. G. Alpaugh on his birthday.

Industrial business was at a near record for the same period. The five leading agents in the commercial department were entertained at the home office the week of Oct. 10 by Mr. Alpaugh and members of the executive staff.

### Williams Hospital Chairman

James R. Williams, director of publicity of H. & A. Underwriters Conference, has been appointed chairman of the hospital insurance committee of International Assn. of A. & H. Underwriters. This appointment was made by President C. B. Stumpf to fill the vacancy created by the resignation of Billedward Howland. Mr. Williams has worked with Mr. Howland in the development of hospital admissions plans and is familiar with that work.

### Security Mutual in Bureau

Security Mutual Life of Binghamton has been elected a member of Bureau of A. and H. Underwriters.

Roger W. Hardy, attorney, has been named permanent executive director of Massachusetts Blue Cross. He took over the task of reorganizing the Blue Cross two years ago on a temporary basis.

## ASSOCIATIONS

### Ohio Managers Meet and Decide on Year's Program

The first fall meeting of Ohio Assn. of Casualty & Surety Managers was held at Columbus, with a dinner and business meeting at which President Warren L. Weeks, Century Indemnity, presided. A program for the year was decided upon and committees appointed to follow it out.

Mr. Weeks was chosen by the association to represent National Bureau of Casualty Underwriters as a member of the governing committee of the Ohio motor vehicle assigned risk plan. He succeeds O. P. Ruffing of Travelers, who has served in that capacity since 1942.

### Betts Addresses Adjusters

LOS ANGELES—"Products liability" was the subject of an address before the Casualty Insurance Adjusters Assn. of California by Attorney Forrest A. Betts which drew a record attendance.

Mr. Betts discussed the interpretation of products liability policies and the expansion of the law in that field, pointing out that it is not uncommon for the courts to interpret ambiguities of language in such a manner as to extend the coverage substantially beyond that originally intended.

### Kent Buffalo President

Bennett T. Kent has been elected president of Casualty & Surety Club of Buffalo. Robert P. Lentz, Jr., is vice-president, and Robert C. McPherson, secretary.

### Lawyer to Address N.J. Assn.

Casualty Underwriters Assn. of New Jersey will hold a luncheon meeting at Newark, Nov. 14. W. H. D. Cox of the Newark law firm of Cox & Walburg will discuss: "The New Court Rules of New Jersey as They Affect the Casualty Insurance Business."

### Dorsett Speaks at L. A.

LOS ANGELES—J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, spoke before Casualty Insurance Assn. of Southern California, outlining the functions of the association and its operations. He was accompanied to southern California by Percy Taft of San Francisco, Pacific Coast manager of the association.

### Adjusters Hear Browning

Casualty Adjusters Assn. of Chicago at the October meeting heard Dr. Thomas C. Browning discuss "Industrial Medical Problems."

Dr. Browning is president of Central States Society of Industrial Medicine & Surgery and is past president of the Chicago society.

### Welfare State Panel Topic

A panel discussion on "Truman's Fair Deal Program—a Major Step Toward a Welfare State" featured the state board meeting of Illinois Junior Chamber of Commerce at Freeport Saturday. E. H. O'Connor, managing director of Insurance Economics Society, and Congressman Leo E. Allen of Freeport took the affirmative. Mr. O'Connor cited as one of his strongest arguments the compulsory health insurance features of the program. Dr. H. O. Gray of University of Illinois and Congressman C. D. McKinnon of San Diego took the negative side.

A very spirited discussion continued for nearly 2½ hours, with many provocative questions from the floor which showed that the J.C. leaders are very much on their toes.

## UNITED STATES CASUALTY COMPANY

Casualty



Surety

HOME OFFICE:

60 John Street

New York

THE  
YORKSHIRE  
INSURANCE COMPANY, LTD.

1824 • 125TH ANNIVERSARY • 1949

U. S. BRANCH: 90 JOHN STREET, NEW YORK, N. Y.



## Value of Recovery Period Analyzed

(CONTINUED FROM PAGE 24)

without obtaining an agreement to cover any loss or without an agreement to accept liability immediately after the effectiveness of your bond. It would be the same thing if we should quit you and go to some other company—we would not want to have to go back to you after taking the business away from you."

### Sudden Death Feature

This so-called "sudden death" feature was so attractive that, a few years ago, it received unanimous approval in principle of Surety Assn. committees handling the subject. Technical difficulties of drafting proved, at that time, to be insurmountable when an endeavor was made to incorporate the principle in superseded suretyship practice.

To sum up—where losses now discovered during the discovery period fall, is a matter of contract and it would not disturb results for the industry if the present plan were changed. In fact, a change involving an immediate pick-up of back losses might serve to focus more attention on underwriting. When fidelity coverage is transferred from one carrier to another, a discovery period may make the proving of losses more difficult for the insured. If the back protection afforded by the discovery schedule bond and the "sudden death" principle of enabling an insured to claim against the carrier of his current bonds some may find their way into fidelity contracts, the providing of a discovery period will become infrequent and will occur only when an insured goes out of business or drops his insurance.

Regardless of the value of the discovery period, the big thing is the carrying of the protection afforded by fidelity bonds against losses caused by dishonesty. This, in the case of those who have carried such protection, has contributed generously to that peace of mind so much sought by today's employers.

### State Regulation OKd.

State regulation of insurance is showing consistent progress, C. C. Fraizer, general counsel of H. & A. Underwriters Conference, told Insurance Institute of Nebraska at a meeting at Lincoln. The states are doing a good job along this line, he said. The tempo has been tremendously speeded up by the enactment of rate regulatory laws, fair trade practice acts, service of process act on mail order insurers, etc.

Under PL15, federal regulation will be kept at a minimum at least for the present, although the side-door approach by FTC creates an interesting situation which must be watched from here on.

"Let us retain regulation on a state basis. Let federal authority be exercised at a minimum," he urged.

He said life and disability companies should be encouraged to sell more coverage to more people, as satisfied policyholders are not interested in compulsory cash sickness insurance governmentally operated on either a state or federal level.

### Long-Range View Needed, Kulp Tells A. & H. Men

The necessity for a long-range view in the A. & H. field was emphasized by Dr. C. A. Kulp, professor of insurance at University of Pennsylvania, in his talk at the annual meeting of Bureau of A. & H. Underwriters. He said it must necessarily be considerably ahead of statute and regulation, and that the industry which waits for public law to set its sights can never take the long look at any problem.



Dr. C. A. Kulp

Public interest in disability insurance, he said, is so widespread and so permanent as to impose two related obligations. One is to take as broad a view as possible of the market, of the persons to whom its services and protection are offered. The other is to take the long view of responsibility to those who are now policyholders. He said public interest and support can be maintained only when companies are willing over the years to (1) draw contracts as liberally as possible and interpret them the same way; (2) charge premiums that are adequate in the aggregate and (3) are distributed equitably among policyholder groups.

### Really Long-Term Contract

One difficulty, he pointed out, is that while the actual cost varies considerably from year to year, the contract, while made for a year at a time, for the great majority of insured is renewed year after year at the same premium. Once set, the premium is fixed for the life of what is in fact a long-term contract, running frequently for 20 years or more. Furthermore, the relation between the cycle of business conditions and the cycle of underwriting experience, while undeniable, is incalculable. He cited conditions in the period 1923-29 and for the decades 1929-38 and 1939-48 to show that underwriting results by no means correspond with general business conditions.

To meet this situation, he discussed the possibilities of substituting the pure premium for the loss ratio method of making premiums; a method intended to provide a middle ground between life insurance and casualty-property techniques and the possible wider use of the participating principle.

## Confer on Government Bonding Bills This Week

WASHINGTON—Oct. 20 was the date set for surety companies' representatives to confer with officials of the General Accounting Office and Budget Bureau on government bonding bills. Whether surety interests would come forward with a substitute proposal for such legislation remained to be seen.

Meanwhile, the House committee on expenditures in executive departments was holding off consideration of bonding bills until after the Nov. 1 deadline fixed for the surety people to report.

### "Comp" Course for Doctors

HARTFORD—A symposium on the history and present philosophy of compensation insurance was held Oct. 18 at Hartford Hospital. It was part of a larger program of post-doctorate medical education being offered Connecticut physicians under the auspices of that hospital and the Yale school of medicine.

Leo J. Noonan, chairman of the compensation commission of Connecticut, spoke at that session. Warren Maxwell, attorney for Travelers, will speak

Nov. 1 on "Doctors, Patients and Litigants." Speakers at the succeeding four weeks' sessions will be physicians.

This is a pioneer course in medical education, and it is hoped it will be a forerunner of more courses both here and elsewhere.

## Neb. Acts Against Mich. Insurers on Trailer Risk


Attorney General Anderson of Nebraska has brought suits against Michigan Surety of Lansing and Preferred of Grand Rapids, charging them with selling trailer insurance through a Nebraska finance company without being admitted in the state. The petition calls for enjoining future activities of these companies and asks for an accounting of the business done for taxing purposes. The suits were brought on the recommendation of Insurance Director Stone.

## Cal. Department Ups Selna

Arthur L. Selna, senior investigator in the southern California office of the California department, has been named supervising license investigator, succeeding William Nielsen, resigned.

*For Special Consideration*

**BITUMINOUS CASUALTY CORPORATION**

ROCK ISLAND  ILLINOIS

SPECIALIZING IN WORKMEN'S COMPENSATION AND ALL LINES OF LIABILITY COVERAGE

### Excellent Opportunity for

## Divisional UNDERWRITING Manager

For a young man with several years of home office underwriting experience in automobile and general casualty lines . . . who is ready for promotion and greater responsibility . . . this position offers immediate advancement and unlimited opportunity. Our employees know of this advertisement.

Address W-29, The National Underwriter  
175 W. Jackson Blvd., Chicago 4, Illinois

### Topic

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## Security Laws Fulfill Their Aims

(CONTINUED FROM PAGE 21)

that 90% of the cars are insured. Estimates of the percentage of insured cars in other states range from 75 to 90%. This is an assurance that a great majority of injured persons will be paid in event of recovery of a judgment.

The law also furnishes a considerable means of protection for those injured by the uninsured. In New York last year, security in the aggregate amount of \$1,389,401 was deposited by 9,025 individuals who were uninsured. Also, there were 21,557 releases filed evidencing a settlement between the parties in cases where there was no insurance. The New York administrator remarks that these releases are evidence of a settlement between the parties concerned and furnished proof in themselves that one important objective under the law is being realized.

In the most recent report of the Maryland administrator, it is indicated that releases, satisfactory settlements, installment agreements and orders of satisfaction resulted in settling 14 fatal cases, 1,603 personal injury cases, payment of a total of \$860,275 for property damage loss in cases where there was no insurance. He remarked that before the day of the financial responsibility law, most of these claims would not have been paid and that, therefore, the purposes of the law and its intent are being satisfied.

These examples are evidence, according to Mr. Wagner, that the law affords a substantial measure of protection to those injured by the uninsured.

Mr. Wagner expressed the belief that the law has been a factor in improved highway safety. The New York ad-

ministrator has expressed the belief that the law encourages and emphasizes the necessity of safe driving practices, promotes respect for the public safety and personal rights of other persons. Those who have become subject to the law feel that their future driving privilege may be jeopardized by being involved in accidents. They understand that their driving record is under surveillance and that it is up to them to exercise extraordinary driving precautions.

Mr. Wagner cited the shortcomings of compulsory automobile liability insurance, pointing out that Massachusetts is the only state that has adopted such a law. It went into effect in 1927. Many believe that such a law does not involve any factor of safety nor does it afford a complete or satisfactory answer to the matter of giving financial protection to the injured. It doesn't afford complete financial protection because it doesn't apply to out-of-state cars, is not extra-territorial, it doesn't apply to accidents occurring on private property, it doesn't cover guest occupants, cannot apply to willful violators and it does not apply to property damage accidents. It has led to a great increase in number of malingers and the number of exaggerated and fraudulent claims; it has resulted in claim consciousness, increased cost, higher rates, crowded conditions in the courts; politics has influenced the making of rates; it has led to the formation of unsound companies that have failed; policies must expire with the calendar year, thus causing a peak period of work and adding extra expense to insurers and agents. It has imposed an absolute liability on insurers,

thus adding to the cost of insurance; it has resulted in a large and arbitrary cut in the earnings of agents, it has prevented application of sound underwriting requirements to undesirable risks.

He emphasized that no state has seen fit to follow this pattern of legislation despite the fact that many states have studied the Massachusetts type through legislative committees. He said that it could be assumed that if a compulsory law possesses the merit claimed by its sponsors, some other states would have recognized this fact during the 22 years.

The security type of law, he pointed out, results in immediate action, there being no delay in invoking the law in the event the party is financially irresponsible. Thus the law furnishes a powerful incentive for persons to make themselves financially responsible before the happening of an accident and as a practical matter, this means insuring. If they choose not to insure the law furnishes a powerful incentive to furnish the security required or to do something about the payment of damages so as to avoid suspension of license and registration.

## Place of Research Is Outlined

(CONTINUED FROM PAGE 21)

should play in the field of social insurance.

Discussion has centered around so-called package policies. Opinions on the wisdom of such policies vary, but thus far we have opinions—not facts. Shouldn't we attempt to find out whether they would enable us to provide better coverage at lower cost, before we adopt or reject the package policy?

Likewise, the question of installment premiums on long term policies is much debated. The desirability of such policies cannot be determined without knowledge of the basic facts regarding the probable market. We need to know, for example, whether the five year policy permitting installment payments would increase the number of people who would buy a particular type of protection—whether it would be cheaper or more expensive in the long run, and whether installment payments would find favor with the buying public.

We are also very much concerned with the potential market for insurance. Do we know how much more insurance could be sold? Who constitutes this potential market? How can we best approach it?

"Our own research department has attempted to conduct some preliminary studies by examining the potential market for burglary insurance in New York as a sample. From this sample we found that only 22% of the respondents carried burglary insurance."

"I believe that it is important for our business, in view of the controversy now raging on the accident and health front, to know that over 60 million people have hospital expense protection, that over 33 million have loss of income protection, that 34 million have surgical expense protection and that almost 13 million have some medical expense protection. These figures are most helpful in pointing out the adequacy of various types of voluntary health and accident protection."

### Research in Semantics

"Through public opinion research we can discover what kind of services the public wants us to provide, whether it understands and appreciates our services, how it wants our agents to behave, what kind of community participation the public values and many other types of information needed for making up an intelligent human relations program."

"Insurance," he went on to say, "which makes use of a multitude of complex and confusing terms could profit greatly from research in semantics. We constantly use words as 'loss',

'line', 'producer', 'carrier', etc. These words not only have special meanings for insurance technicians, but in some cases have more than one meaning for insurance. For example, all of us know what a 'floater' is—but I do wonder what the average man in the street understands by this word. Likewise, the term 'use and occupancy' probably has little or no meaning except to our business and experienced insurance buyers.

"In addressing the public, we should at least try to use terms which the public understands. This is particularly true with respect to insurance annual reports and financial statements. The fact that baffling terms such as 'admitted assets', 'legal reserve', 'underwriting profit', 'reserve for unearned premiums', are used probably means that a majority of the people do not understand the message which the company is trying to present. Would our business not profit by research which would help us to develop language which would have meaning for the people whom we are trying to reach?"

Another major field of research relates to the reduction of operating costs. Management research in the office can achieve real savings in time, money and effort just as scientific management has succeeded in the factory.

### Handling of Papers

Insurance probably involves more office work than almost any other business. The handling of these papers is a formidable task, and the manner in which it is done affects a company's profit and competitive position. Furthermore, there is a tremendous amount of additional paper work involved in meeting insurance departments' requirements for information.

"Do we have all the facts we need," he asked, "to insure that our operations are carried on as economically as possible? Although there are great differences in operation among companies, there are also many practices in our business which are common to all carriers. Wouldn't it be of great assistance to management to be able to measure the efficiency of its departments?"

"All companies are spending countless manhours because of printed forms and other requirements imposed by a supervisory authority. Couldn't research be of great assistance to the companies to ease the demands by insurance departments? Wouldn't it be of some assistance if a mass of irrefutable statistics on manhours could be developed to show the waste because of superfluous legislation, duplication in laws, etc.?"

A city in New Jersey insists on the following procedure in connection with the filing of insurance on a funeral car, taxi, etc. First the original policy must be filed, then a certified copy of the company's financial statement must be obtained and filed, and finally certificates, signed by an officer of the company must be filed, which state (1) that the company is authorized to do business in New Jersey, (2) that the company is authorized to write this kind of policy, (3) that—so and so—is the company's authorized agent, and (4) that the company's authorized agent is au-

## WANT ADS

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"Isn't this the height of red tape? All of this extra work has to be done in connection with each filing, even though the premium may be less than \$100. Imagine the cost that is involved!"

## Preston Heads R. I. Agents

(CONTINUED FROM PAGE 1)

intend to use it until spring, how would you insure it?" a member inquired. "Buy a port risk policy extended to permit full navigation rights or a straight yacht policy with prorated cancellation," was the reply.

"Does the policy cover loss to binoculars, etc.?" The policy would cover anything that would be sold along with the yacht. The assured must determine whether or not he would include the binoculars in the sale price.

One member asked if it were possible for an assured to collect more than the face value of the policy after a loss. The answer would be "yes" in a case like this: A yacht which is damaged is hauled to dock. If it becomes a total loss the company would have to pay for the total loss plus the salvaging charges. A total loss would mean the repair cost exceeds the total value of the yacht.

The final question of this panel was concerned with coverage when accidents or loss, are due to the captain's negligence. The answer was affirmative.

### Panel on Accident-Health

The second panel was on accident and health. Lawrence F. Vories, assistant treasurer of Starkweather & Shepley, Providence, was moderator. Herbert F. Taft, supervisor of Aetna Casualty, Providence; Thomas J. Coyle, chief adjuster of Travelers, Providence, and Roland A. Derosier, general agent of Washington National, Providence, participated. Each speaker urged agents to make out A. & H. applications completely and correctly. An incomplete application can arouse unwarranted suspicion among underwriters. Mr. Derosier pointed out that the application is a substitute for a medical examination. The policy is no better than the application, he stressed.

"Why are hernias specifically excluded by A. & H. policies?" Mr. Vories replied that the loss ratio is poor. Furthermore, most hernias result from a weakness of the abdominal wall rather than being of traumatic origin, which puts them in the illness policy scope.

"Why do most companies object to an assured carrying several identical A. & H. policies?" Too much coverage could lead to malingering was the response.

"Are practical nurses provided for under the policy?" Yes, if the doctor advises it, was the answer.

"Why is air travel being covered and broadened?" It is because of the great strides in aviation safety. Mr. Vories said the trend now is to cover anyone anywhere as long as he is not piloting.

Mr. Derosier closed the A. & H. panel on the note that there is no line that brings the agent more money for so little time spent.

Richard A. Wagner, manager casualty department Assn. of Casualty & Surety Companies, was the banquet speaker. He was introduced by Commissioner Bisson of Rhode Island, who also lauded the services of John B. Butler, retiring president of the Rhode Island association.

## Atlantic Mutual Indem. to Be Absorbed by Parent

Atlantic Mutual, effective Nov. 1, will assume all of the assets and liabilities of Atlantic Mutual Indemnity subject to the approval of the New York department. Plans for the merger have been approved by policyholders.

## O'Connell Warns on Auto Line

(CONTINUED FROM PAGE 12)

legislation of this type is sure to be introduced. He reminded people who believe that "it can't happen here" that the monopolistic compensation fund of the state seemed equally impossible at one time, but it was brought about largely because insurance and industry opposed the whole principle of workmen's compensation laws, instead of working out a compromise which would have retained this business for private insurers. As a result, Mr. O'Connell said, judging by the volume of comparable states Ohio insurance men lost the opportunity to write over \$30 million workmen's compensation premiums annually.

There are many other factors which are threatening the livelihood of an agent, Mr. O'Connell said, but he emphasized the automobile situation, because of the possibility of a sudden overturn which would find every insurance man without any automobile insurance business as of some abrupt statutory date. Threats such as installment plan fire policies, which will increase the agent's overhead and decrease his income and the tendency to increase insurance companies' spot profits at the expense of agents' commissions are somewhat slow processes, "like cutting off a dog's tail an inch at a time."

### Steps To Take

Specifically, Mr. O'Connell said that the Ohio agents must be prepared, long before 1951, not only to sponsor such legislation as will be beneficial to the insurance business and to the public at large, but also to exercise their constitutional privileges to fight matters which are sure to be brought forward by adverse interests, so their right of livelihood shall not be impaired. He said that every agent, with the help of the state association, should familiarize himself with the attitude and background of the men who represent him at Columbus—that, from the standpoint of the insur-

ance business knowing a state senator or state representative is more important than an intimate acquaintance with judges, sheriffs, congressmen or even the president of the United States. Legislative candidates should be required to express their opinions on insurance legislation before, rather than after election. Each insurance man should actively interest himself in the affairs of his political party, whichever that may be, so that the justice of the agents' position can be put to a sympathetic group, no matter which party has a majority in the legislature at the moment.

A most important step, Mr. O'Connell said, is vigorous opposition to any insurance company which practices discrimination under the banner of "selective underwriting." If a monopolistic state fund is to be avoided, he said, "private industry must assume any burden inherent to the purposes for which it was created, whether the applicant be 18 or 80, black or white, maimed or whole, and the present assigned risk plan is not the answer."

Mr. O'Connell also urged the agents to unite in insisting upon a stronger financial responsibility law for Ohio and to push the sale of medical payments coverage and its extension to pedestrians as an offset to monopolistic compensation plans—regardless of the outcries of many underwriters that this extension is not feasible. He also warned his audience that a temporary disability benefit law will undoubtedly be introduced in Ohio before long and urged them to be ready to support legislation which will enable private insurance companies to write this business as has been done in a number of states. Not only will this protect the private insurance business in a development which appears to be inevitable, but recognition of the principle of private insurance in this case might give the insurance business for the first time in 35 years a solid argument for breaking up the state monopoly on workmen's compensation insurance.

### Employee Plans Discussed

At the Pacific Coast Management Conference at Berkeley the subjects of pensions and A. & H. coverages for workers had a large part in the discussions.

Matthew H. Couger, manager of industrial relations of General Aniline & Film Corp., New York, talked on "New Developments in Employee Health and Pension Plans."

T. A. Duckworth, personnel director of Employers Mutual, and J. F. Morrison, vice-president of Liberty Mutual, discussed the subject from the insurance standpoint.

### Cancellation Plan Denied

DES MOINES—Commissioner Alexander of Iowa has denied a request by National Council on Compensation Insurance for approval of an endorsement in compensation policies providing that, if on cancellation, the earned premium is less than the minimum premium, the latter amount shall be charged. He held that this violates Iowa statutes and said the department previously had held that when the earned premium is less than the minimum, then the minimum premium becomes subject to prorate or short rate.

### Aetna Parley at Milwaukee

About 100 representatives of Aetna Casualty in Wisconsin and upper Michigan will attend a conference at Milwaukee Oct. 21. A. L. Wortmann, Milwaukee manager, is in charge. On the program will be Frank W. Potter and Austin D. Bryan, field supervisors from the home office, and several field men from other offices.

## Slater to Educators Mutual as Director of Agencies

Educators Mutual, Lancaster, Pa., has appointed A. A. Slater director of agencies. He started in 1931 with Washington National at Cleveland. After several years he was promoted to field supervisor and in 1939 became manager at Washington, D. C. That office in 1942 led the country in the production of ordinary business.



A. A. Slater

In 1944 Mr. Slater became state agency director for West Virginia of American Home Mutual Life of Washington, D. C., and two years later became agency supervisor. Recently he has been vice-president and a director of American Home.

## Mich. Bankers Buy Group Plan from Detroit Insurer

Michigan Bankers Assn. has arranged with Michigan Life of Detroit a group life, hospitalization and surgical plan covering employees of member banks. No medical examination is required. More than 120 member banks of the association have adopted the plan, which covers employees and officers. Participating member banks may pay the entire cost or share it with their employees. Banks having fewer than five employees are required to obtain 100% participation, but if they have more than five, and up to 25, the requirement is 75% participation, or at least five members.

## Auto Finance Affiliate Formed by D. C. Insurer

WASHINGTON—An auto finance affiliate, known as Government Employees Corp., has been established by Government Employees Ins. Co., to operate nation-wide in financing autos for GEICO policyholders. Initial capital and surplus will be \$300,000, to be represented by 30,000 shares of \$5 par value capital stock. Following filing with SEC, the shares will be offered at \$10 each to GEICO stockholders on the basis of one share of the new stock for each five GEICO shares held Oct. 25.

Directors will be Leo Goodwin, Sr., Benjamin Graham, David L. Kreeger, J. A. Newman, Leo Goodwin, Jr., Daniel J. Callahan, Jr., Francis M. Shea, William K. Jacobs, Jr., E. R. Jones and Robert J. Marony.

Government Employees and Government Employees Life plan to move in late December into a building newly bought at 14th and L streets.

## O'Connor St. Louis Speaker

E. H. O'Connor, managing director of Insurance Economics Society, will speak at a luncheon meeting of A. & H. Underwriters Assn. of St. Louis Oct. 27.

## Turner in Burlington Claim Post

Thorley E. Turner, Portland, Me., claim representative, has been appointed branch claim manager at Burlington, Vt., by American Mutual Liability. Mr. Turner joined the company in 1932 at Boston and was transferred to Portland in 1936.

Allen G. Saunders, manager at Burlington since 1948, has been named Chattanooga, Tenn., branch claim manager.

John C. Crawford, manager of the IBM statistical department of Combined, addressed the dinner meeting this week of Chicago Insurance Accountants Assn.

## Mich. Independent Bureau to File Control Manual

LANSING, MICH.—Members of Michigan Bureau of Casualty Companies at a meeting of representatives here agreed on basic points of a control manual which will be filed with the Michigan department shortly.

Walter H. Munyon, former executive vice-president of Wolverine, is acting as manager of the bureau. Some minor deviations will be prepared by several of the carriers' home offices and submitted to Mr. Munyon.

Two new members were announced, Secured Casualty of Indianapolis and the newly organized Michigan Educational Employees Mutual of Detroit.

## File Big Grain Bond in Minn.

ST. PAUL, MINN.—One of the largest surety bonds ever filed with the Minnesota railroad and warehouse commission on grain storage was that of the International Milling Co., Minneapolis, for \$645,000. It is reported the bond was handled through Charles W. Sexton Co., Minneapolis.

## Buffalo Club Elects Kent

The Casualty & Surety Club of Buffalo has elected Bennett T. Kent, Aetna Casualty, as president; Robert P. Lentz, Buffalo Fire Office, vice-president, and R. C. McPherson, U. S. F. & G., secretary-treasurer.

## Surety Assn. Admits Three

Surety Assn. has admitted National Fire, Boston and Old Colony. This brings total membership to 51 companies.

# INSURANCE NEWS BY SECTIONS

## PACIFIC COAST AND MOUNTAIN

### Adjusters to Hold Meeting at San Francisco Oct. 28-29

The California Assn. of Independent Insurance Adjusters will hold its second annual convention in the Palace hotel at San Francisco Oct. 28-29. A dinner meeting of officers and directors will be held Oct. 27 and before that there will be a meeting of members of the National Assn. of Independent Adjusters from the coast area, at which Arthur E. Campbell, regional vice-president, Seattle, will preside.

The convention opens with a welcome message from Mayor Elmer Robinson and a response by Charles T. Green, Los Angeles, state president.

Speakers at the morning session are John H. Martin, Standard Forms Bureau; L. G. Evans, service manager National Automobile Club, who is supervising the available garage plan for the Automobile General Adjusters Assn.; W. O. Cooper, Underwriters Salvage Bureau, who will discuss the bureau's recently adopted program for handling repossessed and salvaged cars for the companies; Charles R. Umland, Fireman's Fund, and Robert E. Cathcart, inland marine underwriter Commercial Union.

Ray Switzer, California department will explain the new financial responsibility law at a luncheon meeting.

Speakers in the afternoon will be A. E. Shepperd, president, California Assn. of Insurance Agents, and H. Clyde Marshall, assistant manager Aetna Fire.

They will be followed by a panel consisting of a "claims quiz" with Thomas Larke, Jr., San Francisco broker, as moderator. Taking part are J. H. Bray, claims superintendent Glens Falls group; E. A. Bronson, insurance attorney; Charles G. Landresse, London Assurance; William Lewis, Home; Bert Levitt, Long & Levitt, counsel for the Board of Fire Underwriters of the Pacific and the Pacific Fire Rating Bureau, and Jay Jones, general adjuster America Fore.

Following will be a cocktail party and the Automobile General Adjusters Assn. banquet.

A business session is scheduled for Oct. 29 with election and installation of officers.

### Wash. Assn. Plans Series of Educational Meetings

Washington Fire Underwriters Assn. has completed plans for a series of educational meetings in western and central Washington. A program will be staged in 15 key cities during October and November. Agents will meet with field men for dinner and the program will include movies on fire prevention and talks on pertinent fire subjects.

Richard N. Davis, Hartford Fire, chairman of the committee, has announced the following dates and committee chairmen in charge of each series:

Fred W. Valley, Royal, Oct. 18, Ellensburg; Oct. 19, Yakima; Oct. 20, Wenatchee. Guy N. Hedreen, Groninger & Co., Oct. 25, Tacoma; Oct. 26, Olympia; Oct. 27, Aberdeen. Mark Perry, Boston, Nov. 1, Chehalis; Nov. 2, Longview; Nov. 3, Vancouver. Lloyd B. Beattie, Home, Nov. 8, Everett; Nov. 9, Mount Vernon; Nov. 10, Bellingham. H. B. Murray, Aetna Fire, Nov. 15, Port Angeles; Nov. 16, Bremerton; Nov. 17, Kirkland.

Dion Holm, city attorney of San Francisco, was the principal speaker at a dinner meeting of the San Francisco Insurance Women's League. The League has 40 new members.

### Garrison Is C.P.C.U. Luncheon Speaker at S. F.

The principal speaker at the San Francisco C.P.C.U. all-industry luncheon Oct. 21 is Maynard Garrison, executive vice-president of Fireman's Fund. His topic is "Multiple Line Operations." John Henry Martin, manager of Standard Forms Bureau, will act as master of ceremonies. Diplomas will be presented to successful C.P.C.U. candidates by Dr. Harry Loman, dean of American Institute for Property & Liability Underwriters.

### Job Improvement Program

The Pacific department of American at San Francisco has launched a special "job improvement and office training" program to consist of 13 sessions, each conducted by a different manager or department supervisor.

The object is to acquaint employees with the history of the company, bring about a better understanding of the functions of each department and thus secure better coordination of effort.

The course is voluntary and will be on an informal group discussion basis. More than half the employees signed up for the course at the outset.

### Opens Office at Spokane

Groninger & Co., Seattle general agency, will open its Spokane office in the Hutton building about Nov. 1, with Gordon Spens in charge as field man.

Mr. Spens has been traveling for Groninger & Co. out of the Seattle office for several years. The new office will service the eastern Washington and Idaho Panhandle territory.

### Swayze to Tacoma Agency

Thomas A. Swayze who was state director of licenses from 1941 to 1945, has returned to Tacoma to become a partner and vice-president of Forrester & Lee.

Mr. Swayze was in insurance in Tacoma for a number of years after graduation from the College of Puget Sound and war service. Before serving as director of licenses he was city controller of Tacoma for 11 years.

### Mann Renamed Chairman

Harold N. Mann, Tacoma, has been reappointed chairman of the casualty contact committee of Washington Assn. of Insurance Agents. The committee has been enlarged and includes R. J. Martin, Spokane; C. J. Sorensen, Bellingham; Thomas A. Harman, Seattle, and H. H. Martin, Longview. It confers regularly with company representatives of both bureau and non-bureau carriers.

### Bureau Manager Retires

Charles F. Wagner has retired as manager of Oregon Insurance Rating Bureau and is succeeded by A. J. Snow, who has been associate manager since 1945. Previously he served as assistant manager from 1938 to 1945. Mr. Wagner has been with the Oregon bureau for 42 years.

### New G. A. B. Montana Office

General Adjustment Bureau is opening an office in the Lalonde hotel, Sidney, Mont., with Donald F. Sigvardt, who has been located at Great Falls, named as adjuster in charge. He is a graduate of Montana university and attended Cornell.

Clarence T. Hubbard, secretary of Automobile, addressed the Oct. 17 meeting of Insurance Women of Denver.

## MIDDLE WEST

### Ia. Agents Plan Series of Insurance Institutes

The Iowa Assn. of Insurance Agents will hold a series of seven regional one-day institutes over the state Nov. 2-10. The meetings will be held at Des Moines, Nov. 2; Cherokee, Nov. 3; Atlantic, Nov. 4; Mason City, Nov. 7; Cedar Rapids, Nov. 8; Muscatine, Nov. 9, and Oskaloosa, Nov. 10. Theme of the institutes will be "To Better Serve the Public."

At the morning sessions agency management and education will be discussed by Clarence R. Rauter, assistant director of the education and research division of the National association and Harry J. Figge, Des Moines insurance agency management specialist.

Edward Nolte, Des Moines tax consultant, will speak at a luncheon while the afternoon program will consist of a panel discussion on general insurance production problems.

Taking part in the panel discussions will be Walter F. Roberson, Home, on farm business; Gordon C. Church, North America, on inland marine; and Robert Maxwell, New York Underwriters, Walter Brode, Fidelity-Phenix, Glenn H. Campbell, Continental, and James E. Sellers, Boston, on fire problems; Jack Wheaton, New Amsterdam Casualty, D. O. Jones, United National Indemnity, Marvin Plock, Travelers Indemnity, and Arthur C. Horka, Hartford Accident, on casualty and surety problems.

### St. Paul Losses \$1 Million

ST. PAUL—Fire losses here this year have already passed the \$1 million mark to break a 20-year record. Losses for the first nine months were \$1,087,800 compared to \$733,800 for the entire year 1948. This year's total was boosted by a single fire which did damage estimated at \$400,000.

### \$525,000 Fire in Freeport

A flash fire coupled with explosions razed the almost block-long garage building housing the Coach Corporation of Freeport, Ill., and the Ford Sales and Service causing an estimated damage of \$525,000. About 50 vehicles, including trucks, passenger cars, tractors and busses, were destroyed. According to owner H. L. Myers, the loss was covered by insurance. The fire occurred on the last day of Fire Prevention Week.

### Rating Rowlands' Topic

John S. Rowlands, past president of the local board and of the Wisconsin association, discussed fire insurance rating and rates at a joint dinner meeting of Racine Insurance Board and Racine County Insurance Assn. at Racine.

### Laub Milwaukee President

MILWAUKEE—Milwaukee Board has elected Rudolph Laub, R. A. Laub agency, president, to succeed Frederick Kasten; Robert C. Pittelkow, Charles Pittelkow & Sons, vice-president; George Y. Wilkinson, Myers & Wilkinson, treasurer, and William B. Calhoun, secretary, reelected. Directors are Gustav E. Schwarm, Alvin Veitenhaus, Russell M. Rutter and Mr. Kasten.

Fire Chief Edward Wischer discussed the functions and development of the Milwaukee fire department.

### Gould at Minn. Federation

ST. PAUL—Dr. Laurence M. Gould, president of Carleton College, Northfield, Minn., who explored the Antarctic

with Commander Byrd, will discuss America's future at the annual meeting of Insurance Federation of Minnesota here.

The committee on arrangements includes Ronald M. Hubbs, St. Paul Fire & Marine; Arthur Devine, Prudential, St. Paul; James F. Kidd, Mutual Implement & Hardware, Owatonna; Roy A. Mitchell, South St. Paul, and Clarence A. Olson, Marsh & McLennan, Minneapolis.

## SOUTH

### Okla. Inspection Bureau Tulsa Manager Retires

TULSA, OKLA.—J. B. Murrey, Tulsa branch manager of Oklahoma Inspection Bureau, has retired and has been succeeded by William S. Brooks, with the bureau for 40 years. Ill health forced Mr. Murrey's retirement after more than 42 years with the bureau. He was branch manager when the office was located in Muskogee prior to 1929. Mr. Brooks was in the Oklahoma City office before being transferred to Tulsa to service oil properties.

### N.A.I.A. Chief at Memphis

MEMPHIS—O. Shaw Johnson, new president of National Assn. of Insurance Agents, spoke at a Fire Prevention Week meeting of Insurers of Memphis. He lauded Memphis for its record in fire prevention work. Present at the meeting were John Bailey, Knoxville, and George Goss, Nashville, president and executive secretary, respectively, of Tennessee Assn. of Insurance Agents, and James M. McCormack, for 10 years Tennessee commissioner. Mr. McCormack is now a rate analyst and consultant, with headquarters here.

The fall festival staged by Insurance Women's Club of Oklahoma City drew an attendance of nearly 200. The club is sponsoring a school for fire and allied lines, to start Oct. 24 under direction of Zack Lane.

The L. A. McCollister agency, Mangum, Okla., has been purchased by Clyde F. Thompson.

## EAST

### Wagner and Wiley Address Norwich Agents' Luncheon

State insurance officials were guests at a luncheon meeting of Underwriters Assn. of Norwich, Conn. Frank F. Wagner, assistant to the insurance commissioner, and William H. Wiley, executive secretary of Connecticut Assn. of Insurance Agents, were the speakers. Frank G. Waters, president of the Norwich association, presided. Robert J. Storms gave a report on Fire Prevention Week. E. J. Lewis and N. M. Chapman of General Adjustment Bureau were among the guests.

Mr. Wiley reported the membership of C.A.I.A. has grown to 800 agencies, with more than 1,500 agents. He discussed legislation passed by the last general assembly, and plans for the association's annual meeting Oct. 31-Nov. 1 at New Haven.

Mr. Wagner discussed in more detail the legislative accomplishments at the recent session. His talk was followed by a question period.

About 40 women from Hartford agencies and branch offices have formed an Assn. of Insurance Women. New Haven and Bridgeport already have similar groups, and members from those cities and from Springfield, Mass., were present to give a boost to the new club.

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THE musical notes of a bell which had once hung in an old French church summoned the slaves at Belle Meade to their daily tasks. By some strange chance this bell had found its way across the sea to a Mississippi steamboat where its mellow tones so captivated Belle Meade's owner that he bought it for his estate.

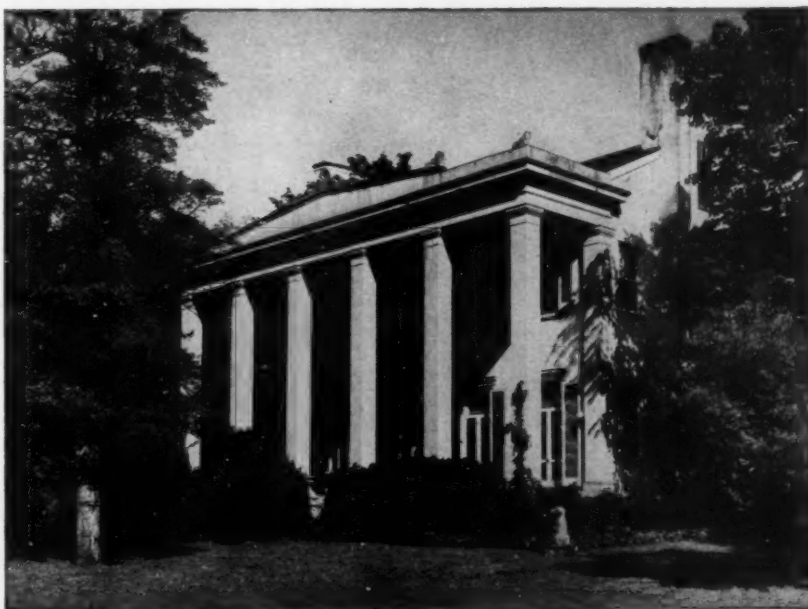
Located about six miles from Nashville, Belle Meade is reached through a long avenue lined with vine-covered cedars. The house was built in 1853, the year The Home was founded. It replaced an earlier dwelling which had been destroyed by fire. The six square columns on the portico were made from stone quarried on the estate. John Harding, the first owner, cleared and fenced the property when he came to Tennessee in 1805. While a home was being built, he lived in a log cabin where his son William Giles Harding was born.

Brigadier general in the militia and prominent agriculturist, William G. Harding made Belle Meade one of the most pros-



## BELLE MEADE

*the Beautiful*

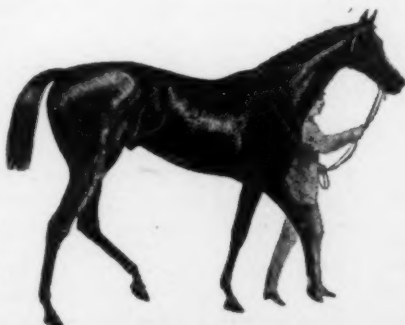


*A gardener was brought from Switzerland to care for the flowers and shrubs*

perous farms in Tennessee. Within its 5,000 broad acres was a park planted with blue grass where as many as 250 deer roamed unmolested. At one time elk, buffaloes and cashmere goats were also given sanctuary.

But Belle Meade's principal attraction was its magnificent thoroughbred horses, many of which, including Bonnie Scotland, Iroquois and Luke Blackburn, won lasting fame in the annals of the turf. As probably America's oldest farm for breeding thoroughbreds and one of the finest of its day the estate was

internationally renowned. The sale of yearling colts which was an eagerly awaited annual event brought thousands of visitors from this country and abroad. Representatives of the French government who came to inspect American thoroughbreds in 1881 reported that Belle Meade had the finest in the country. Though his horses were entered in all the leading races and won many trophies, General Harding was interested in racing solely as a gentleman's sport and refused to take part in betting. Besides horsemen



*IROQUOIS - Only American bred horse that has ever won the English Derby*

## Famous American Homes

many prominent persons were visitors at Belle Meade, including Andrew Jackson, James K. Polk, Benjamin Harrison and Grover Cleveland. As evidence of the hospitality for which the plantation was noted, the dining table was kept extended to its full length with places always set for unexpected guests.

Like most of the southern plantations of that time, Belle Meade had its complement of slaves. They were, however, treated with unusual consideration and concern for their comfort and welfare. Charles Sumner, noted abolitionist, declared

that if conditions at Belle Meade were typical of the South, "I must retract much that I have written against slavery."

Two of General Harding's daughters married brothers, William H. and Howell E. Jackson, who continued to operate Belle Meade after Harding's death. By General U. S. Grant's own admission he narrowly es- *William H. Jackson* caped capture by William Jackson who was a brigadier general in the Confederate cavalry.



Though the property passed into other hands after the death of General Jackson's son and has been reduced in size throughout the years, Belle Meade, still privately owned, has been maintained as one of the South's most beautiful plantations.

★ ★ ★

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